

NATION'S BUSINESS

July



1927

**Bureaucracy Puts Out
to Sea** *by Chester Leasure*

**Business at the Mid-Year
Turn** *by Industrial Leaders*

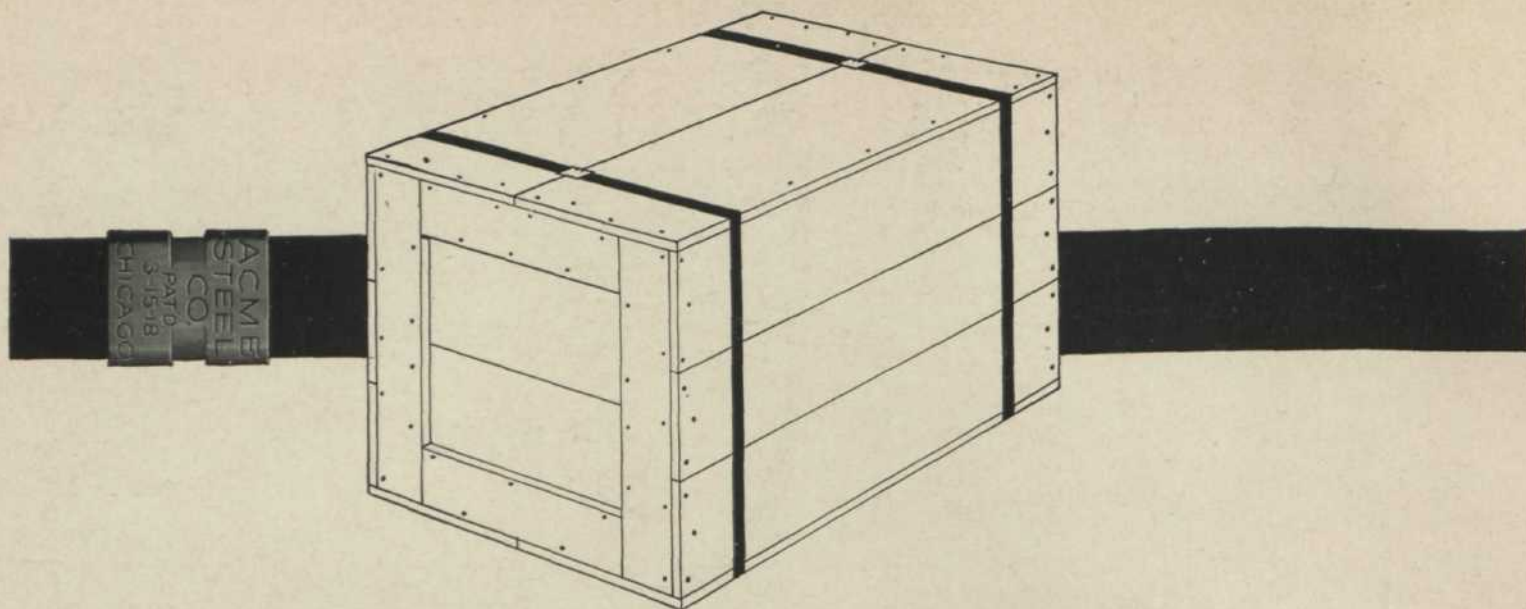
Reckless Reclamation
by Representative W.R. Wood

Map of Nation's Business, Page 46



Published at Washington by the Chamber of Commerce of the United States

A QUARTER OF A MILLION CIRCULATION



A Slender Steel Strap

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Without charge we will test your package—whether wooden box, crate, carton or bale—and recommend any changes needed to give it greater or more uniform strength, at lower cost. Particulars on request. They're worth sending for.

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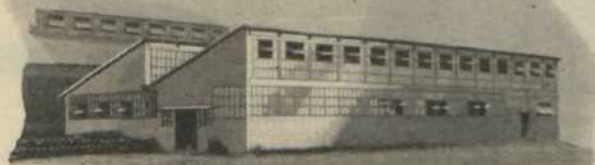
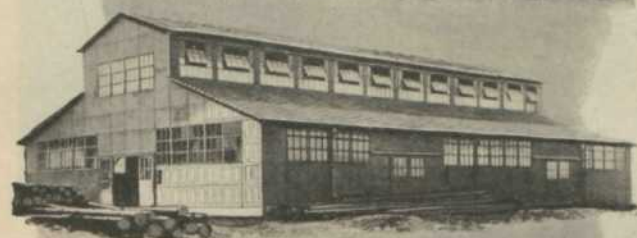
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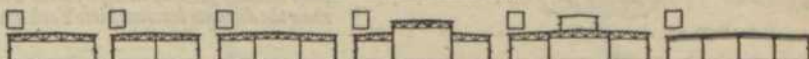
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Wright Whirlwind Engine Successful Performances

1. In 1926 Whirlwind Engines flew more than 1,750,000 miles safely in commercial and private airplanes.
2. All Whirlwind Engines finished with a perfect score in the (Ford) Annual Reliability Tour, 1925.
3. Carried Commander Richard Byrd over the North Pole and back in a Fokker three Wright Whirlwind engine plane, 1926.
4. Won first, second and third place in 2550 mile (Ford) Annual Reliability Tour, 1926.
5. Established new World's Endurance Record of 51 hours, 11 minutes and 20 seconds in a Wright-Bellanca plane, Chamberlin and Acosta, pilots, 1927.
6. Powered Captain Lindbergh's Ryan Monoplane in his non-stop flight from New York to Paris, 1927.
7. In 1926 Whirlwind Engines flew more than 2,000,000 miles in the service of the U.S. Navy.

Wright Marine Engine Successful Performances

Wright Typhoon Marine Engines hold a high place in the light cruiser and express run-about marine field.

1. 1924, won first and second place in the Annual Gold Cup Regatta, Detroit, Mich.
2. 1925, express runabout "Teaser" beat the Empire State Limited from Albany to New York establishing a record of 2 hours and 40 minutes for this trip.
3. 1926, runabout "Imp" was timed for the fastest lap ever made in the Gold Cup Races at Manhasset Bay, N.Y.

CAPTAIN Charles A. Lindbergh's world stirring flight with a Wright Whirlwind Engine from New York to Paris in safety on May 20-21, 1927, is but the culmination of a remarkable series of aeronautical successes and records covering the past three years.

It is significant, too, that the planes of all three Transatlantic Flight aspirants—Byrd, Chamberlin and Lindbergh—were powered with Whirlwinds, proof positive that the faith of America's greatest airmen was pinned to the safety of America's greatest air-cooled aeronautical engine.

Wright Whirlwind Engines have been the inspiration of a vast majority of the most efficient, safe plane designs in the air today.

Send for Bulletin 17B an interesting, non-technical booklet showing twenty-eight of America's leading, safe airplanes powered with Wright Whirlwind Engines.

Wright Whirlwind Engines are in use on 11 of the most important United States air mail routes and fly more mileage per day in safety with United States mail than the distance between New York and San Francisco.

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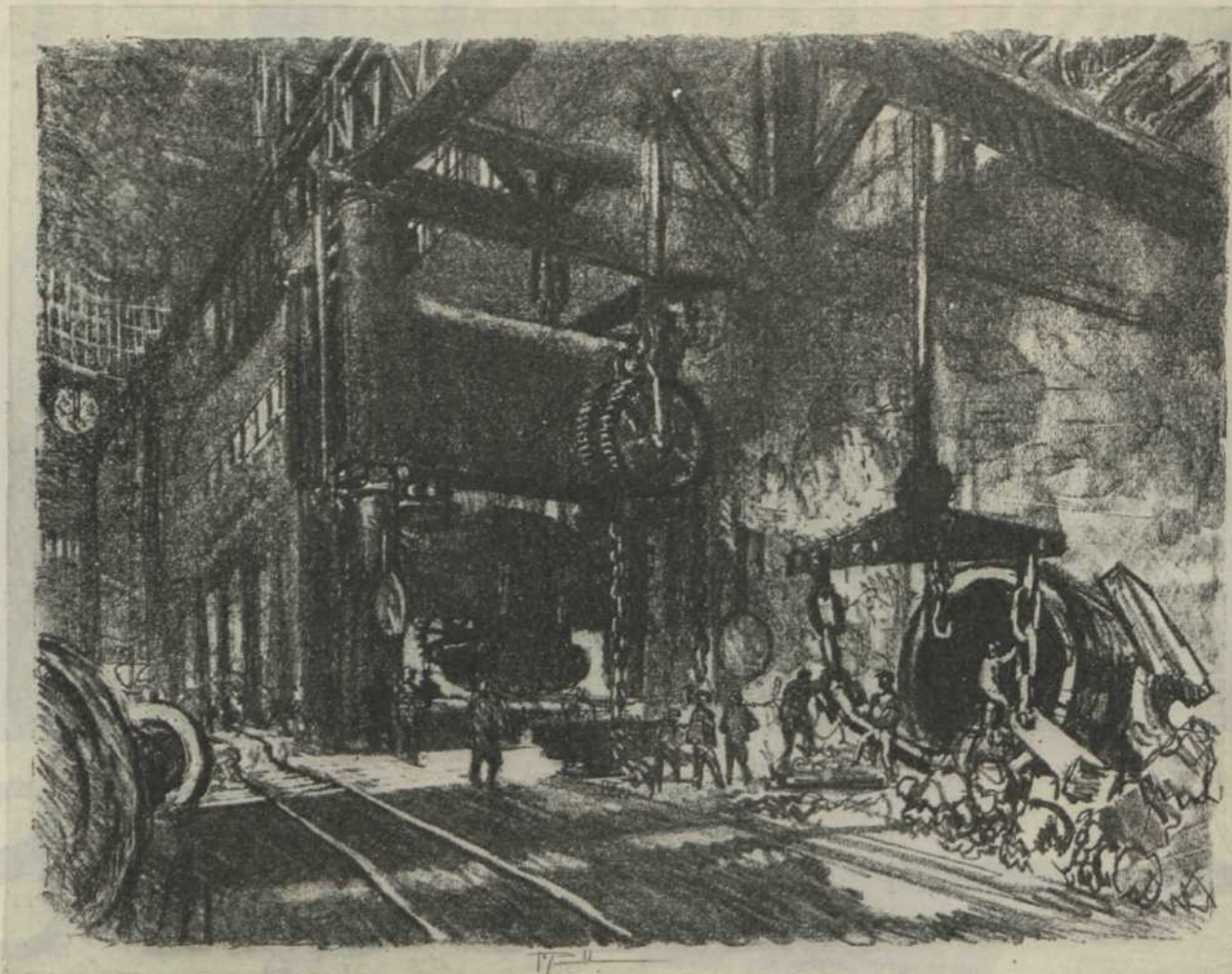
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TO MANUFACTURERS OF QUALITY PRODUCTS



"The Wonder of Work." We are privileged to reproduce here one of a series of drawings of industrial subjects by the late Joseph Pennell, one of America's great artists. Courtesy of J. B. Lippincott Co.

Why You Plan Ahead

THE Quality Manufacturer builds on a long-time basis, thinks and plans in a big way. He is concerned with only how well he can make an article give effective service; and he pins his faith on the fact that what a product *does* and not what it costs—determines its value.

This has been your policy and ours. As industry learns that the price of lubricating oil is unimportant compared to its service, it appreciates the sound principle upon which the world's outstanding lubricating oil business is built.

No one knows better than the manufacturer of mechanical equipment that exactly suitable oils should be used in the units he carefully designs and builds.

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There are 417 major manufacturers of machinery in the country. The great majority of them recommend, or approve for their custom-

ers, the use of specific lubricants produced by the Vacuum Oil Company.

When these lubricating oils are correctly applied to plant machinery they will:

- add to its efficient life;
- retard the need for repairs, with consequently fewer interruptions to production;
- reduce friction enough to lessen power costs.

If you need these economies you have use for the Vacuum Oil Company's oils and services. After we are engaged our engineering staff cooperates with the plant personnel to maintain effective results. Our oils and our services await your pleasure.



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Vacuum Oil Company

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PARADOXES in a month's news. Galosh fad is a boon to shoe trade . . . and Walker Hines urges long skirts for cotton relief. Ford sees completion of fifteen millionth car . . . and automobile deaths jump in Connecticut. The Ringling Brothers and Barnum & Bailey combined shows take the road . . . and education in thrift for youth is urged.

Chaplain Knox warns Columbia University graduates against emphasizing dollar value of degrees . . . and fifty Gould lawyers get \$2,703,635 in fees. "Deadheads" total 50 per cent of traffic on Rumanian state railways . . . and France proposes state oil monopoly. Judge B. A. Rosenblatt envisions Palestine as the Promised Land . . . and Jewish bakers in New York strike for \$72 a week.

A Norwegian engineer invents system of refrigeration by alcohol . . . and the Duke of Leeds, England's greatest gin maker, dies.

Treasury officials hold up importation of "Arabian Nights" . . . and Civil Liberties Union Assails American Legion as foe of freedom. Actor's Fund of America has deficit of \$36,134 . . . and dramatists move to join A. F. of L.

Governor Ritchie says law-mad era is upon our people . . . and six women of Darby, Pennsylvania, defy jail in revolt at \$4 tax.

Rockefeller gives \$1,600,000 to France . . . and Henry VIII's cellars are thrown open to tourists in England. Dr. David Jayne Hill urges moral disarmament . . . and founder of Christian Mystics says Halley's comet caused the war.

Deluge of oil now plagues American producers . . . and General Motors votes \$17,400,000 extra to stockholders from current earnings. "Ed" Howe gives his recipe for success as "Work hard and behave and eat less" . . . and 1926 beef output breaks all records.

Provost Penniman, University of Pennsylvania, thinks science will enslave man . . . and coal, cartels, and chemistry regain Germany's place in the economic sun.

Five hundred farmers go abroad for study . . . and British business men come to learn about Virginia industries. Fifty thousand horses are used in New York City . . . and New York insurance companies pay \$3,000,000 a year in bogus auto-injury claims. Ten colleges pick football arbiter . . . and Soviets sell clocks chiming czarist songs.

Mussolini cuts all wages 10 per cent . . . and building contractors here foresee general wage rise. Whiskery wins the Kentucky derby . . . and Fords announce a new car.

Our history is a garden of romance, declares Senator Bruce . . . and cops see so much realism, fiction palls, New York

Table of Contents

Linoleum Block Cover Decoration by Balcom

BUREAUCRACY IN FINE FLOWER.....	MERLE THORPE	13
BUREAUCRACY PUTS OUT TO SEA.....	CHESTER LEASURE	15
ALCOHOL, A PROBLEM FOR INDUSTRY.....	WILLIAMS HAYNES	17
Illustrations by Frank Murch		
DON'T WORRY ABOUT TOMORROW'S OIL.....	J. EDGAR PEW	20
BUSINESS AT THE MID-YEAR TURN; A SYMPOSIUM.....		23
OUR RECKLESS RECLAMATION.....	WILLIAM R. WOOD	26
Cartoons by Stuart Hay		
NEW ICE MAKES A BID FOR MARKETS.....	HARRISON E. HOWE	28
A NEW SPIRIT IN FEDERAL TRADE CASES.....	WILLIAM E. HUMPHREY	30
THE ELIMINATION OF TRADE ABUSES.....	EDWIN B. PARKER	32
BABBITT THROUGH THE AGES, A CARTOON.....	CHARLES DUNN	33
EDITORIALS.....		34
LET'S PUT A TIME LIMIT ON LAWS!.....	A. HARRY MOORE	36
Cartoon by Cesare		
OLD SPAIN EXTENDS A WELCOME.....	OLIVER MCKEE, JR.	38
GOLCONDAS IN THE SCRAP HEAP.....	CARLTON P. FULLER	41
Cartoons by Charles Dunn		
LOOK OUT FOR THE CHEMISTRY FAKER.....	ARTHUR R. MAAS	43
THE MAP OF THE NATION'S BUSINESS.....	FRANK GREENE	46
BUSINESS PINCH HITS.....	FREDERICK SIMPICH	50
WHERE IS THE WAGE EARNER GOING?.....	WALTER G. ARMSTRONG	54
DO WE WANT WHAT TAXES PAY FOR?.....	WILLIAM P. HELM, JR.	56
Illustration by Albert T. Reid		
NATIONAL ISSUES IN THE MAKING.....	FRANCIS COPELAND	60
A CITY THAT FOUGHT OFF A BOOM.....	JOHN DEWEY TOPPING	62
LIFE OF A PIONEER MERCHANT—III.....	HERBERT ADAMS GIBBONS	64
WHAT THE WORLD OF FINANCE TALKS OF.....	M. S. RUKEYSER	72
UNDER THE UMBRELLA.....	GEORGE V. HORGAN	84
OURSELVES AS OTHERS SEE US.....		94
RECENT FEDERAL TRADE CASES.....		98
GOVERNMENT AIDS TO BUSINESS.....		101
CHIPS FROM THE EDITOR'S WORK BENCH.....	RAYMOND C. WILLOUGHBY	102
BUSINESS VIEWS IN REVIEW.....	ROBERT L. BARNES	110
NEWS OF ORGANIZED BUSINESS.....		118
ON THE BUSINESS BOOKSHELF.....		125
HUMAN NATURE IN BUSINESS.....	FRED C. KELLY	130

Vol. 15

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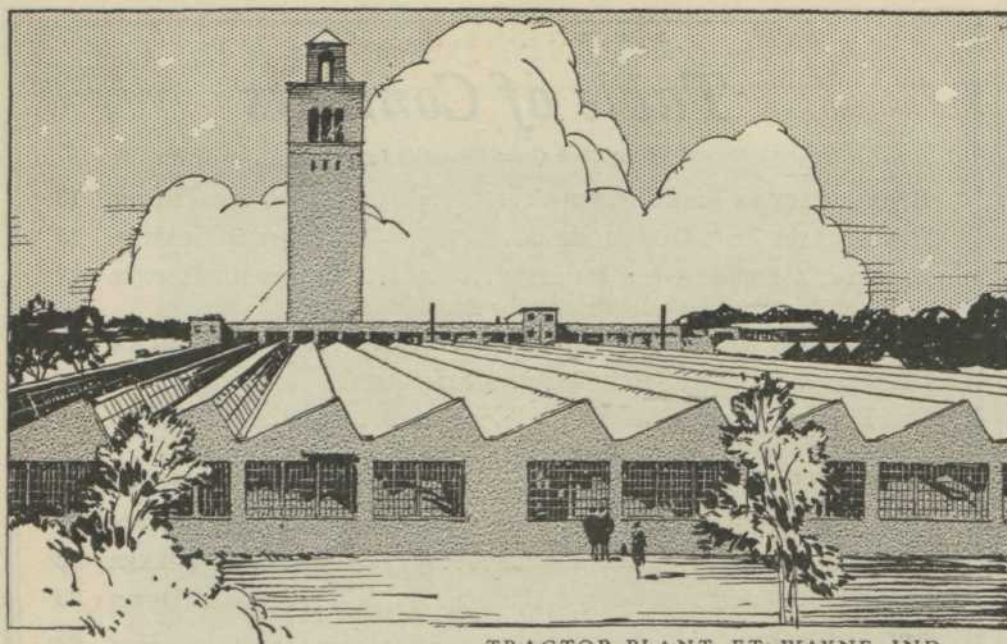
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As the official magazine of the National Chamber, this publication carries authoritative notices and articles in regard to the activities of the Chamber; in all other respects the Chamber cannot be responsible for the contents thereof or for the opinions of writers to which expression is given.



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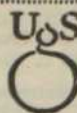
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policeman explains. Earth's core gives up its secrets . . . and Indianapolis finds profit in garbage reduction.

OVER the signature of "Old Irritability" comes the disturbing evidence that William Feather's opinion of "Those Not-So-Good Old Days," printed in this magazine, could rub the wrong way. Sitting in judgment at Bridgeport, Connecticut, this avowed gentleman of the old school complains that the article is "a most unfortunate example of dealing out popularity pap." The general charge is amplified with specifications—

"Most of our forefathers' misery has not been recorded" is stating an obvious fact when the writer interprets this misery to fit the effete present generation.

Our forefathers did not consider it misery, but life and glorious, hard bitten life, too.

When Mr. Feather says "Every other child succumbed within the first few months of its life," he is talking through his hat. Pure applesauce.

Women were expected to die off at forty. Pure nonsense.

AT RISK of raising the heat of this displeasure, it seems only neighborly to suggest that possibly this local irritation comes from reading Mr. Feather in fragments. To get the full flavor of his philosophy it is necessary to read him unabridged. And finding a counter irritant in his writing is not hard, as when he says,

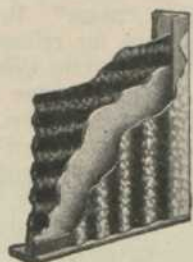
Progress does not always mean a net gain for everyone. . . . Private cars, buses, and electric railways are all admirable accessories to civilization, but until each has finally found its proper place, some of us are actually worse off than we were twenty years ago.

I SUSPECT that "Old Irritability" is neither old nor irritable. The quality of his dissent marks him a watchdog for all the verities, and here, perhaps for earnest of his alertness, he gives alarm at the first flick of an errant feather.

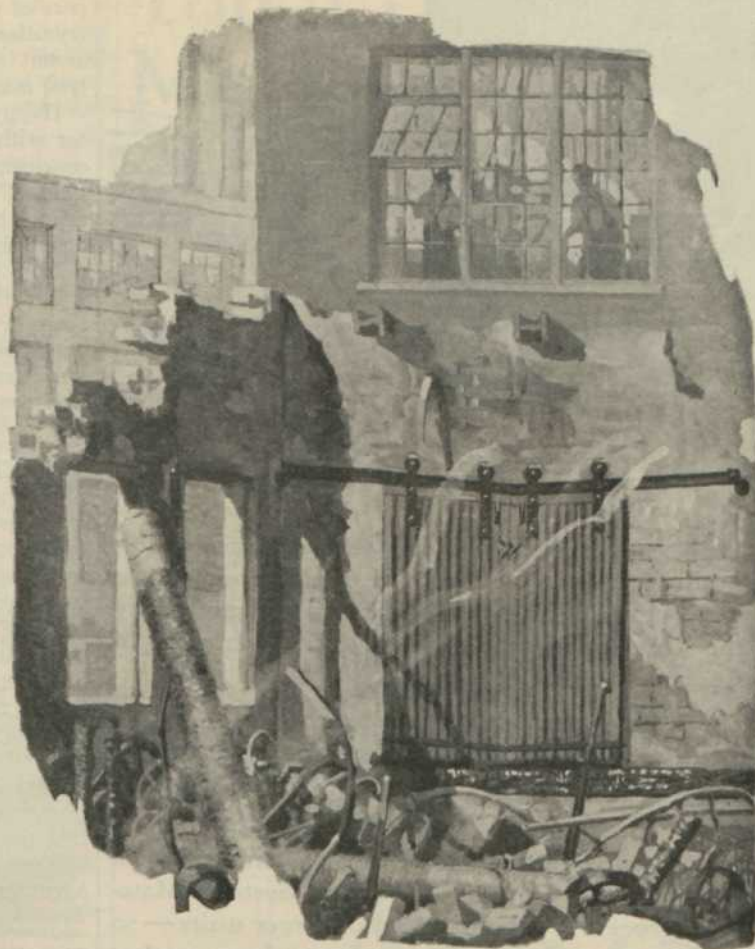
HENRY MORGENTHAU was only stating plain truth when he told members of the Economic Club in New York that "popular government is the rule in every activity of our life wherever we organize for mutual benefit, as in our education, our charities and our labor unions." Not so clear, perhaps, is the conclusion that "popular government is equally the rule wherever we organize for profit."

Fortunately, conversion to that faith does not lack for convincing evidence. Eminent examples of the equality of industrial opportunity are the American Telephone and Telegraph Company, the United States Steel Corporation, and the New York Central Railroad. The government of those corporations is by men who rose from the ranks.

It is as Mr. Morgenthau said. The democratic spirit has illuminated the whole fabric in our American life. In every direction we have learned what it means to govern ourselves, and to believe instinctively that the source of corporate power must come from the individuals who com-



Note the rigid construction of Fyer-doors with heavy steel frame. Yet they cost no more than tin clad doors.



R-W Fusible Links are made to fuse at any required degree of temperature. They are positive in action at all times.

A FyeR-Wall Door saved this plant! *That's because it's automatic*

A saved plant is a lot better than the insurance on a burned-up plant.

FyeR-Wall Automatic Fire Doors have saved thousands of plants from fire, by keeping the fire outside; or minimizes the loss by keeping a fire confined.

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- they last as long as the building.
- they give you a 15% to 25% lower insurance rate;
- they work automatically, and there's no maintenance cost.

These efficient doors carry the label of the Underwriters' Laboratories after passing the highest tests.

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Our glib expression, "flowing through production and through distribution," in reality describes a perilous course. Waste in the factory and generosity of the salesmen make the job of steering the ship of business anything but easy.

The hope of arriving at the end of each year's trip with a profit on board keeps many an executive awake, dodging the rocks and whirlpools. The boss earns every cent of profits he has left.

But "flowing through production" can be made a reality with the Cleveland Tramrail System. Materials in process can be handled in larger units — so that fewer men are required to move them, so that there will be no man-power lifting and lowering, less idle machine time waiting for new material, no changing from one type of conveyor to another.

Cleveland Tramrail Engineers can fit moving to the making of every class of product, in any kind of plant. A letter or postal card will bring the advice of one of these material handling experts, without cost or obligation.

CLEVELAND ELECTRIC TRAMRAIL DIVISION
The Cleveland Crane & Engineering Co., Wickliffe, Ohio



At this well known tire plant, the Cleveland Tramrail System has been fitted to every moving requirement in the molding department. An entirely new handling method for this process that has since been adapted by other factories was worked out by a Tramrail Engineer.



CLEVELAND TRAMRAIL SYSTEMS

pose the corporations—now a considerable part of our population. The widening distribution of stock ownership is a present accent on this nation's interest in industrial management.

Happy in friends with careers in character with his faith, Mr. Morgenthau drew conclusion from the success of "Fred Ecker," whom he knew "when he was an errand boy, and today he is the vice president, the financial genius of the Metropolitan Life Insurance Company."

For the friends of popular government there is enduring satisfaction in the assurance that in this country the "Fred Eckers" are becoming the expected rule, rather than the rare exception.

TO EDITORS the complaint is familiar enough that some corporations are "always getting things in the paper" to the exclusion of other "news." But no one would seriously argue for refusal of space to interesting and important events simply because they had their origins in the resourcefulness of great industries. As with individuals, so with corporations—the public interest in them is measured by what they do. The company that is continually up and coming with contributions to our civilization has given good reason for getting talked about and written about. The fact that some concerns always seem to be in the public eye is no evidence of "press agent" skill, or of editorial favor. As the *Brooklyn Daily Eagle* puts it,

The General Electric Company and the Radio Corporation of America lead all other organizations in the amount of space they receive, since they are always inventing or building something new. It is, indeed, a poor month that does not find them mentioned in about eight or ten thousand articles. They are followed closely by the Western Electric Company and United States Steel. The Guaranty Trust Company and the National City Bank head the financial institutions.

Those who "are always inventing or building something new" are making genuine "news," and it is the experience of all editors that the world is ever eager for the details.

THERE was graceful compliment and appreciation in the sketch of Col. Henry G. Hester, published by the New Orleans Cotton Exchange and sent to us by Ben J. Williams, chairman of its trade extension committee. For fifty-six years, so this tribute reads, Colonel Hester has been superintendent and secretary of the Exchange, and "he is the only individual whose unchecked report on cotton the United States Government accepts as official." In other lands, the interviewer adds, the traders ask "What does Hester say?" for "without his report no man in the cotton business would think of doing business any more than the captain of a ship would think of sailing from port without chart and compass and sextant."

Honor is in that regard, and no mistake. But when the Colonel lapses from cotton quotations into scriptural quotation we are less certain of his intent—as when he says "Take no thought for your life what ye shall put on." Well, now. Doesn't that

counsel open the way for all sorts of competitors of cotton? Or is it a sentiment to shame the carnal advertising of silk and wool? We don't know. Or it may be that the king is not always a hero to his retainers, since the Colonel asks us to remember "when the buy-a-bale movement swept the South and King Cotton was seated on a street corner with his tin cup held out for the pennies of charity."

But whatever the application of the quotation, we are glad to accord Colonel Hester all the rights and privileges of accredited prophets. To honor in his own country he has added a world-wide respect for what he knows about cotton.

AWARD of the Pulitzer prize for the best cartoon published during 1926 put a distinguished appraisal on the work



of Nelson Harding. But his nineteen years of service to the Brooklyn *Eagle* provide a broader measure of his abilities, and it was on this record that we asked him to contribute to NATION'S BUSINESS. It is pleasant, of course, to have our high opinion confirmed in the prize-winning merit of his cartoon "Toppling the Idol," here reproduced. Now, we are happy to announce that Mr. Harding's purposeful pen will give timely accent to our editorial page.

WHILE we have never argued that it takes nine tailors to make a man, we are grateful to Henry Baitz of Baltimore for assurance that it takes nine men to make a tailor. As secretary of the tailoring firm of Fred Oldham, Inc., he is in position to know all the work between the cloth and the fit. Specialization is the established order of his shop—the salesmen, the pattern maker, the cutter, the coat maker, the vest maker, the trousers maker, the "bushelman" or alteration man, the delivery man, and the bookkeeper or collector, "who has the toughest job of all."

Here is a business that takes the measure of our natures along with the measure of our figures. Under the tape come "doctors, lawyers, merchants, bishops, preachers, judges, Senators, congressmen, horsemen, bootleggers." The absence of editors from that list might suggest to the tender-minded a need for explanation. But perhaps it is too much to expect those who are busy molding the opinions of other men to be the mold of fashion, too. It is unthinkable that anything save duty could keep them out of that imposing line-up.

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Even without honorable mention of editors, Mr. Baitz is sure that the tailors have "the most wonderful lot of customers in the world."

He has seen the hours of his trade shortened from twelve to eight a day, and the cost of labor triple while the cost of a suit only doubled. Regretfully he notes the passing of the "old single hand tailors," and he speculates a little doubtfully on a future without them.

A review of his experience gives him no cause for complaint. Fortunate and happy man. Occasionally tempers are ruffled and patience is tried, he confides, but in the main his business is an unfailing source of joy and pride. This satisfactory state of affairs, he is mindful to report, is in part directly traceable to the watchful interest of his national trade association; the crook, the bad check, the bad account are the rarer for its vigilant protection.

EVERYBODY knows, of course, that the chief sources of wood pulp for paper making have been spruce and poplar wood, and that something is being done to conserve the supply. Visible as the tremendous consumption of paper may be, not many persons are likely to know that as far back as 1910 the Department of Agriculture was experimenting with new sources of supply. The evidence is at hand in a report sent us by Charles J. Brand.

Now spreading the gospel of the National Fertilizer Association, he was for years attached to the Bureau of Plant Industry. From the experiments he supervised, five kinds of paper were produced from cornstalks, cotton hull fiber, and rice straw. With interest currently focused on the problem of utilizing crop wastes and agricultural by-products, this report is as timely as when first published.

It is the way of science to make bricks without straw. Thanks to Mr. Brand, we learn that chemistry saw other use for the straw. Long ago our text-books told us that nature abhors a vacuum, but almost daily we are reminded that modern chemistry abhors waste.

WHEN two confessed burglars, admitting fifteen robberies, can get free on "technicalities" at two trials, there is plainly too much law, or there are too many laws. This case, as reported by a San Francisco newspaper, involved a degree of conviction at the first trial in conflict with the classification of one of the crimes, and also promises of the police to the prisoners that they would be tried on minor charges if they confessed—a situation that prompted the court's instruction for acquittal at the second trial.

Because the men used celluloid strips to pick locks they were known as the "celluloid burglars." That designation seems peculiarly apt. There is a filmlike quality of improbability to the whole affair. It does not seem possible. But now, if we saw it on the screen we should think it from life. Such things do occur. They are the horrible examples of how laws can defeat the basic purpose for which they were enacted.

M.T.



"No sir! I'm not buffaloed by hand-to-mouth buying any more"

"At first this new wave of hand-to-mouth buying had me worried. It looked as though all of us manufacturers were right up against it.

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"I know at all times how my production fits my orders and can tell pretty well anything else that I need to know.

"Get your finger on the pulse of your business,

Jim, and you won't need to worry. It's *guessing* facts instead of *knowing* them that does the harm!"

* * * * *

You won't have to guess at facts if you keep Acme Visible Records. And if you want to deal successfully with hand-to-mouth buying, or any similar problem, you will find Acme your most valuable ally.

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This emblem protects you, and it will be protected, on your behalf, by the Oil Heating Institute.

Readers of this magazine who are interested in industrial and commercial oil heating are invited to write to the Oil Heating Institute for special information which is available on this subject.

Bureaucracy in Fine Flower

BY MERLE THORPE

GOVERNMENT grows and grows
and grows.

Bureaucracy is a dead hand on industrial endeavor. It battens on the moor of stupidity, political favoritism, economic fallacy. When Government leaves its rightful field of endeavor and enters the field of business, all real incentive to serve the public gives way to red tape, to political skullduggery, and to mediocre performance.

Consider the example of the Government's experiment in shipping. The people, through Congress, ordered the disposal of the ships; today, after seven years and the expenditure of \$226,000,000 in operating expenses, we hear proposals of a rebuilding program and an issue of merchant marine bonds.

Ask any shipping man about the Government's operation of ships, and he will tell you unbelievable tales of waste and petty politics. But he will caution you not to quote him. Why? "The Shipping Board," he will say, "has the power to ruin me."

Bureaucracy in fine flower!

Congress nodded when it set up a plan to sell ships and to operate them while selling. It ignored the desire to remain in office—a human trait—together with another natural human desire to build and grow. That spelled the answer seven years ago. What individual can operate ships with the Government and its long purse as a competitor? Unfair and unintelligent competition—and the fear of it—will paralyze any real development of a privately operated merchant marine.

But more important than deficits and the postponing of a real merchant marine is the attack on an American institution which has made this country great—individualism.

Too many readers will stop right here and say, "Let the private shippers fight it out." What short-sightedness! The government operation of ships

reaches out and out and touches every man. It strikes at his right to receive from his Government a promise of fair play in his opportunity to find reward for his energy, imagination, and initiative.

These words will doubtless bring the usual rebuttal from the Bureaucracy: "It's foreign ship propaganda." "Would you have the glorious Stars and Stripes of John Paul Jones wiped off the seven seas forever?"

It is not alone that the personnel has failed. Quite likely Judge Gary or Willard, or Schwab, or Ford, could have done no better. For our Government, as constituted, cannot operate a business. It wasn't built that way. It was designed to do a different thing—to protect the political liberty of the individual.

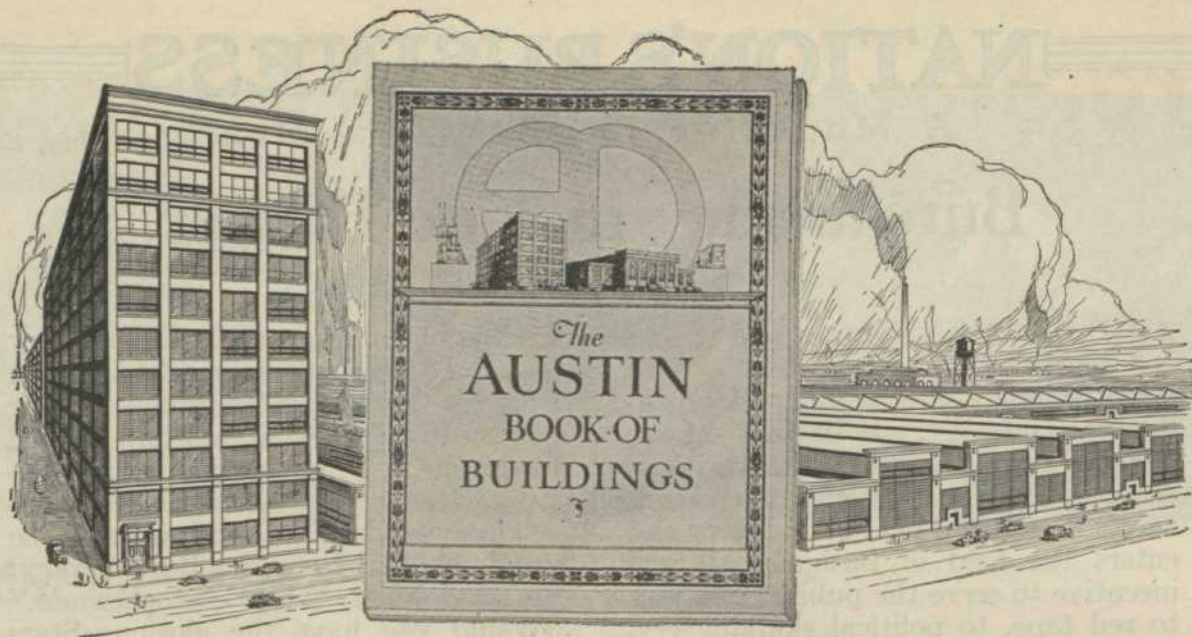
We forget that our forefathers who created the greatest form of government of all times did not design that *political* mechanism to operate *business* enterprises. The checks and balances, designed to protect political liberty, by their very nature prevent efficient operation of business projects. As Herbert Hoover puts it, "The Government lacks rapidity of decision." Which is proper. It can't cut corners. There must be debate, even red tape. Business must make quick decisions.

We make a mistake to call upon this political mechanism to operate ships. The machinery creaks. It breaks down.

There are students of history who hold that the danger to democracy always lies in saddling the political mechanism with more and more industrial and social tasks.

Government in the shipping business is more than ships on the sea. It is a challenge to the best thought and action of America.

The way out is not easy. But American business must find an answer and it is not government ownership.



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Bureaucracy Puts Out to Sea

SCENE: The meeting of the Transportation Division of the annual meeting of the Chamber of Commerce of the United States. *Time:* May 4. *Place:* Washington.

The participants: Phillip H. Gadsden, Vice-President of the United Gas Improvement Co., Philadelphia; Malcom Stewart, Chairman of the Mid-West Foreign Trade Committee, Cincinnati; T. V. O'Connor, Chairman of the United States Shipping Board, Washington, and Julius H. Barnes, a leading grain exporter of New York.

MR. GADSDEN: It takes no expert in shipping to see this picture; the discontinuance of the aggressive policy of ship sales . . . withdrawal of the most available ships from sale on the ground that they may be required for government operation. Beyond these facts we find a series of legislative proposals, whether formally advocated or not, which are clearly in harmony with the recent trend of Shipping Board policy. These legislative proposals include one relating to the sale of Shipping Board ships which would have the effect of prohibiting the sale of the best and most available ships; another is a proposal that the Government embark upon a new ship building program and issue United States Merchant Marine Bonds for the purpose. . . . Here the Government would be entering again a field in which Government is peculiarly lacking in qualifications.

MR. STEWART: There should be a definite policy of replacement, reconstruction and modernization . . . to

By **CHESTER LEASURE**

meet the competition presented by the best foreign ships. . . . The uncertainty brought about by a constant agitation to get the Government out of the shipping business as rapidly as possible, has a very demoralizing effect.

MR. O'CONNOR: Mr. Gadsden has attributed to the Shipping Board a policy for which he has no authority or basis for the simple reason that it is not true. . . . The Shipping Board is not behind a policy of that kind. The Shipping Board is for a merchant marine, absolutely—a merchant marine privately owned if possible, but a merchant marine anyhow. . . . **The Shipping Board is not in the business to stay in government operation. We are absolutely opposed to it. We want to get out of business.**

MR. BARNES: I believe the Shipping Board is entitled to be treated in entire good faith when so specific a declaration of its policies has been made. . . . When I say that, however, I want also to add something about other aspects of this situation. . . . Under a board of directors like a National Congress ships cannot be operated with business efficiency; and I think the Chairman will agree with me on that. . . . We could not have returned the railroads piecemeal to private operation with lines of government competition running parallel to them. We cannot piecemeal put these services under private operation as long as the Government maintains its potential competition menace beside it, with a national treasury to make it good.

IN VIEW of Mr. O'Connor's statement, this ship business would seem to be a settled issue.

But why should Mr. Gadsden bring forward his charges?

Why should Mr. Barnes be at pains to get Mr. O'Connor on record?

Why should Mr. Ira A. Campbell, counsel for the American Steamship Owners Association, speaking, four weeks later, before the National Foreign Trade Conference at Detroit, sound this warning:

"A government owned and operated merchant marine can never be successful. By that I do not mean the Government can not run ships. Of course it can, so long as the people are willing to pay the cost. But the operation and maintenance of a successful merchant marine is something more than merely keeping ships ploughing the seas.

"I sound this warning because unless plans in the making by the Shipping Board are checked, we are headed for permanent government ownership and private shipping is doomed."

Openly, the country is on record for a privately owned and operated marine. Congress has said so. Business repeatedly has said so.

But all the while a strong undercurrent, not always visible, flows toward government ownership and operation.

Last winter, Senator Fletcher of Florida, proposed a resolution in the Senate declar-

ing government ownership and operation a permanent policy and forbidding the Shipping Board to make further sales of ships other than "obsolete and incapacitated" ships and authorizing an extensive program of new ship building.

Moreover, the Senate Committee on Commerce, last session, reported a shipping bill to the Senate and recommended its passage.

The language of this bill is a bit startling in view of the policy expressed in the Merchant Marine Act of 1920. In that act Congress said the United States should have a merchant marine sufficient to carry the greater part of its foreign commerce and serve as a naval auxiliary in time of war, "ultimately to be owned and operated privately by citizens of the United States." Congress further declared it to be "the policy of the United States to do whatever may be necessary to develop and encourage the maintenance of such a merchant marine," and expressly instructed the Shipping Board to "keep always in view this purpose and object as the primary end to be obtained."

The bill proposed in the Senate, last session, professes allegiance to the policy declared in the Act of 1920 but says that the Shipping Board "shall not sell any vessel or any line of vessels when in its judgment the building up and maintenance of an adequate merchant marine can be served by continued ownership and operation of such vessels by the United States."

The Act of 1920—which, by the way, is still the law as to ships and shipping and Shipping Boards—told the Board to sell its ships "as soon as practicable, consistent with good business methods."

But the bill proposed last winter would seem to say to the Board that it must adhere to the policy of the Act of 1920 but be very careful about selling ships!

The proposed bill, moreover, declares for new ship construction, and adds this prohibition:

"No vessel constructed pursuant to this Act shall be sold without the consent of Congress, hereafter given."

The Shipping Board, speaking in support of this measure, says:

"The bill is entirely consistent with an intention that the vessels and lines shall ultimately be transferred to private ownership and operation."

"Ultimate." Quite. Extremely, remotely ultimate.

Urging the need for new ship construction, General A. C. Dalton, President of the Merchant Fleet Corporation, advocates an ambitious new building program and proposes to finance it by an issue of United States bonds.

The building program was proposed in a speech before the Atlantic States Shippers' Advisory Board, in Washington, April 5, 1927. General Dalton then said:

"We are going to build an American merchant marine. We are going to Congress this year and give them a plan for

financing a building program that is sound economically. . . . The American people should be the owners of the fleet."

In a speech before the Exchange Club, New York, October 14, 1926, General Dalton let us into the secret of his financing program.

"One of the handicaps which the Shipping Board suffers," he said, "is the lack of assurance of the proper financial support being given each year by Congress. This precludes any constructive program extending over a period of years being formulated with any assurance that it can be carried to a successful conclusion. The problem of financing could be solved by an issue of United States Merchant Marine bonds, bearing a low rate of interest, to be sold at public subscription and widely distributed throughout the United States."

Doesn't that sound as if the Fleet Corporation were preparing to fix things snug and shipshape for a long, long stay in the shipping business? "Ultimately," indeed, they'll give way to private operation.

Be it remembered that General Dalton, President of the Fleet Corporation, is the subordinate of the Shipping Board of which Mr. O'Connor, above quoted, is chairman. Is it going too far to suggest that the Chairman and the General really ought to harmonize their objectives?

What's Wrong With the Program?

WHY NOT let's agree on some such plan as Senator Fletcher's and go in for government ownership and operation? What, after all, is wrong with such a proposal? The nation needs the fleet against a war emergency, so why isn't it good sense to let the Government build and own the ships and hire them to business as commerce carriers in time of peace?

The answer is that Government isn't a business organization. Its paraphernalia and mechanisms aren't adapted to the decision and quick action that business demands. It simply doesn't work that way.

The shipping business is vastly complex. The building, ownership and operation of ships is but a phase of it. The marketing of our goods abroad requires as well a close knit organization of industry, international banking, marine insurance, brokerage, freight forwarding and the like. The creaking, slow moving mechanisms of Government simply can't elicit the harmony necessary to such orchestration.

To administer the Government's shipping affairs, there's Congress. Next the Shipping Board. Next the Fleet Corporation. Congress delegates administrative authority and certain semi-judicial powers to the Board. The Fleet Corporation is charged with

the fleet property, the sale of ships, the caretaking of ships and the operation of such lines as the Government operates outright and to enter into operating arrangements with operating agents. In its capacity as general overseer of marine affairs the Board determines what overseas service lines are essential to the public interest and directs the establishment of these lines.

But isn't there a pretty opportunity here for "log rolling"?

The Shipping Commissioner from such and such a region has an aspiring port town that wants overseas shipping service established. Commendable desire. Senators and Members of Congress amenable to the suggestions of that aspiring port together with the Shipping Commissioner may push the claims of the ambitious port candidate. May they not join forces with other members of Congress and other Senators and other Shipping Commissioners pressing claims of other port towns that want overseas shipping, too, and get what each wants? And the port establishments and service arrangements thus set up may be economically sound and in the general interest—and they may not.

It may be that this accounts for the fact that when Congressional committees are hearing proposals for revision of the administration of shipping affairs, representatives of ports, with singular unanimity, come before the committees, and, while they profess abhorrence of government ownership and operation of ships as a permanent thing, advise caution in disturbing the status quo. Maybe it is gratitude for favors received. Maybe it is fear of bringing down the wrath of the Board—for the Board holds the destiny of ports in the hollow of its hand with its control of shipping routes and services.

Secretary Hoover, who's generally credited with a bit of shrewd business sense and who knows a thing or two about the finer points of the game political, singles out this many-headed control of shipping affairs in a statement to the House Committee on Merchant Marine in its hearings on proposals to overhaul the shipping administration. Said Mr. Hoover:

The Shipping Board was originally conceived largely for regulation of discriminations and other bad practices in ocean traffic. It was established upon a bi-partisan and

later a regional basis. It was afterwards loaded with the most gigantic administrative task in the Government. The necessarily divided minds of the best board on earth has always resulted in failure in executive work. Without considering the result of this case, which must be evident at every turn, I may not point out certain characteristics which make it doubly hopeless as a form of organization to build up and administer the merchant marine. Each member has a four-way independent responsibility. He is responsible for every act of the Board to the country as a whole, to his particular constituency, to his political party and finally to Congress. Responsibility to the President, the one responsibility which every administrative officer of the Government should acknowledge under the spirit of the Constitution, is denied by the Board.

Every member of the Board, if left alone, could probably have made a success of the merchant marine before now. However, such a set up of joint and divided responsibilities, even if comprised of consummate genius, is the negation of possible success in business management and even of the very plan of our Government—that there should be single-headed responsibility in executive and administrative functions. It is admirably constituted for semi-judicial or regulatory functions where a number of minds are needed and deliberative action is an advantage.

How Long Experiment?

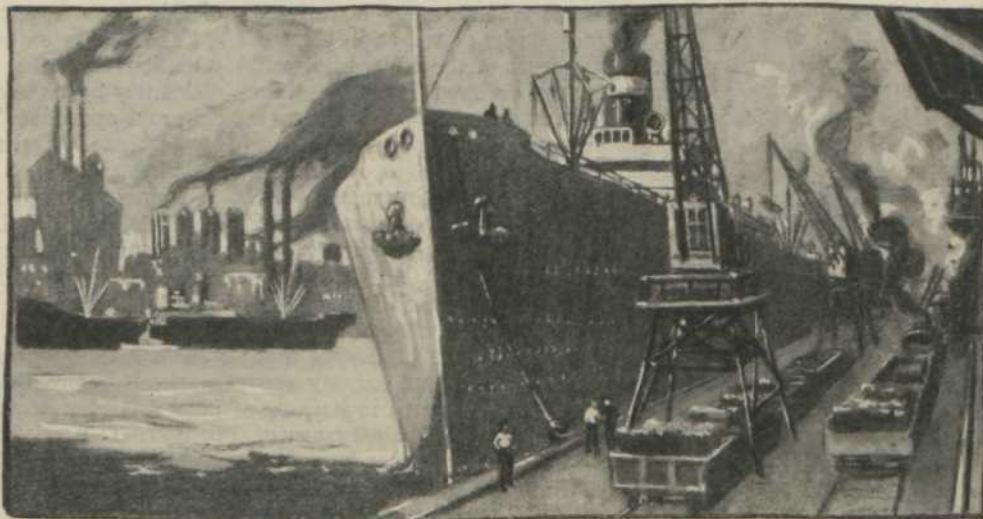
TOUCHING upon ports and services, Mr. Hoover said:

We need some criteria for determining when successful operation is impossible on a particular route. We do not believe this could be done legislatively. Administratively it could be determined by experience, but must have a firm determination to go on so long as the route shows improvement. No section of the country has a right to call upon the Government perpetually to operate ships at a loss, but some local communities may be willing to join with the Government in an experiment longer than might otherwise be the case.

This language of the Secretary of Commerce is of peculiar significance in view of the instructions of the Act of 1920 to the Shipping Board directing that it operate service lines "until the business is developed so that such vessels may be sold . . . unless it shall appear within a reasonable time that such line cannot be made self-sustaining."

Another fatal weakness of Government in business revealed in its shipping establishment is the executive turnover in both the Board and Fleet Corporation. Shipping Commissioners and Presidents of the Fleet Corporation have come and gone. Forty-one in ten years!

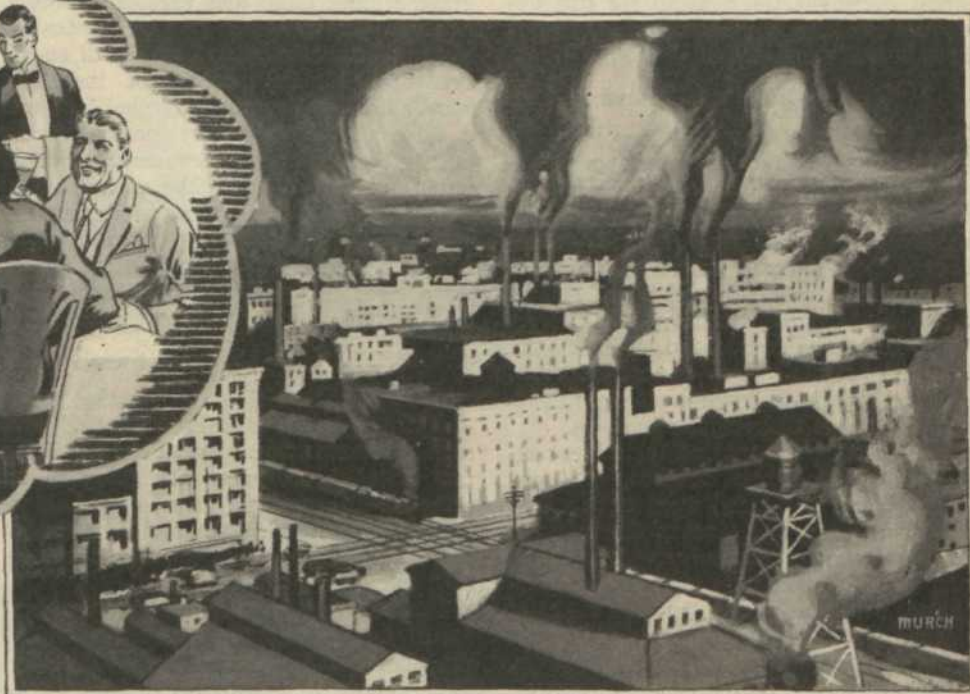
Here's the record. The Shipping Board was established in 1917—just ten years ago. In that brief time thirty
(Continued on page 88)



Alcohol, a Problem for Industry



In the manufacture of a cocktail or an aniline dye, nothing takes the place of alcohol



By WILLIAMS HAYNES

Publisher, Chemical Markets

Illustrations by Frank Murch

AGE-OLD, world-wide intoxicant; the chemical solvent most necessary in modern industry—either definition fits alcohol perfectly.

And just because alcohol plays this double rôle of boon companion and useful servant so successfully that no understudy can take its part, it stands in a class by itself among the basic raw materials upon which this industrial civilization of ours rests. In the manufacture either of a Bronx cocktail or an aniline dyestuff nothing quite takes the place of alcohol.

Hence, the alcohol problem.

It is a problem woven into a crazy-quilt pattern of involved legal status, of new chemical uses, of mixed raw materials, all cross-stitched together by the red tape of government regulations. It is a national problem and a personal problem, a complicated, fascinating problem that concerns every business executive in America.

A Tax That Egypt Started

ONE OF those sharp-nosed, dreamy-eyed royal priests who ruled the land of Egypt with Twentieth Century efficiency some forty centuries ago hit upon the idea that intoxicant alcohol was a splendid subject for taxation. He certainly knew nothing of the chemical solvent, alcohol; but he needed money, doubtless to build a temple or equip his army; and he invented the liquor excise tax for internal revenue.

So, throughout the ages of recorded history, anointed kings and elected parliaments, emperors, robber barons, free cities, all have poured a golden stream into their treasuries out of the cup that cheers.

Nobody ever liked this luxury tax; but it was deemed proper enough till a cen-

tury ago, when alcohol, separated out from various beverages by distillation, began to be used more and more as a solvent in industry. Then business men pointed out to legislators that it was at once unfair and unwise to levy taxes as a luxury upon an important industrial raw material. After years of pleading and argument the legislators conceded that, if the alcohol were taken out of competition with the taxable beverages by making it unfit to drink, then it might be sold free of tax for use in the industries. Seventy years ago it was agreed that this could be accomplished by mixing with it a small percentage of unpleasant, poisonous methanol (wood alcohol). This certainly rendered it unfit for beverage purposes and yet did not prevent its use as a commercial solvent.

A King Who Valued Alcohol

AT THE direct instigation of the grandfather of the deposed Kaiser this important concession to industry was first made in Germany. That wise ruler foresaw the importance of alcohol's rôle as a useful servant in upbuilding his country's industrial independence. He wanted this work done quickly without let or hindrance. His foresight gave Germany a ten years' handicap in tax-free alcohol, and this cheap, efficient solvent played a big part in the establishment in Germany of the world's greatest and most diversified chemical industry. Before the World War that same chemical industry had given to Germany a monopoly of coal-tar dyes, of certain modern explosives, of poison gases. Today, this chemical industry is making great contributions to Germany's economic rehabilitation.

Fifty years after Germany had made tax-free alcohol available to her industries and long after all important European nations had passed similar denaturing laws, Congress made the same concession to

American business. Ten years before, during the war with Spain, a congressional committee had reported that "while the use of alcohol as a beverage is purely voluntary, its employment for all other purposes is legitimate, beneficial, and necessary. No article entering into manufacture or the arts, whether of domestic or foreign production, performs more legitimate or beneficial functions. There is scarcely a manufacturer in the country who does not use alcohol in the production of his goods to a greater or less extent."

Congress Ran True to Form

EVEN after so plain—and true—a statement of the case for solvent alcohol, it took ten years for Congress to remove this prohibitive luxury tax.

Then ten years later, Congress again changed the whole picture by declaring that, so far as the citizens of the United States are concerned, intoxicant alcohol is null and void. The law has turned the alcohol industry upside down by making its main product a by-product and completely changing its raw material.

Just twenty years ago this spring a small group of shrewd business men sat down around a big oak table in the committee room of a Baltimore banking house to work out the first industrial alcohol problem. They were engaged in the then legitimate and profitable business of making whisky out of corn. As a side line they had been distilling from their liquor mashes a certain amount of alcohol which they sold in the main to manufacturers of medicines and perfumeries. Up to the year before, the high tax on alcohol had naturally restricted its use to such essential or luxurious goods as could afford to pay a fancy price (mainly tax) for this particular solvent. As a by-product of their whisky distilleries this limited demand for alcohol had

been a pleasant but comparatively unimportant addition to the distillers' sales.

But the year before Congress had passed the Tax-Free Alcohol Law of 1906, authorizing the sale of denatured alcohol, and almost overnight the demand for this by-product solvent of theirs had swamped them in a flood of orders.

A New Industry Created

THE LAW had created a new industry. But industrial alcohol was not a beverage. It went through trade channels strange to them. It was bought by industrial consumers they did not know. Moreover, although they knew from experience that they could produce two and a half gallons of alcohol from their grain mashes, nevertheless to meet this undreamed of demand they must install new apparatus. This would call for heavy investment and threatened to disrupt their regular business.

Furthermore, the market for solvent alcohol, denatured and tax-free, was obviously going to depend upon costs. The lower the price, the greater the market; and corn was an expensive raw material from which it was more profitable to manufacture beverage alcohol in the form of whisky. Their chemists had told them that molasses, while useless for making whisky, could nevertheless be fermented to alcohol. The yield of one gallon from two and a half gallons of molasses did not compare with the two and a half gallons of alcohol from a bushel of corn; but molasses was cheaper. Corn for whisky had always to compete with corn for the mill and the feed lot. Molasses, on the other hand, was a by-product of sugar-making, for which there was no real market. And right at our doorstep lay Cuba, literally oozing molasses to be had for the cartage.

Carefully weighing all these facts, that far-sighted group of men gathered about the table in Baltimore, ten years ago, solved their knotty problems by organizing a new company to manufacture and sell tax-free, industrial alcohol. A great plant was erected at New Orleans, close to the then unlimited supply of Cuban molasses. A sales organization was built up. A new, profitable industry was established, supplying American manufacturers with a widely useful raw material.

Distillers Sold Out

THE distillers, happy to take a handsome stock profit, sold out their interests in the industrial alcohol company and went back to their own business of making beverage alcohol. Judged by all the standards of business, they planned well and acted wisely. However, alcohol is unique among all industrial raw materials in that it exists solely as a legal fiction.

In the meantime, industrial alcohol flourished. Freed of the four-dollar-a-gallon tax, it found new and increasing uses. At

a reasonable price, this most useful solvent was a veritable boon to our chemical industries. Paints, varnishes, shoeblacking, glue, furniture polishes, fireworks, fertilizers, artificial flowers, gas mantels, celluloid, photographic films, paint and varnish removers, artificial leather—all became better or cheaper because of a free supply of cheap, denatured alcohol. Scores of industries were aided by denatured alcohol. It was a direct benefit to every person in the country. But, as in Germany, its most important results were the strengthening of our chemical industry, and during the World War the assurance it gave us of adequate supplies of the solvent necessary for a score of munitions from high explosives to dope for aeroplane wings.

A Fight for Molasses Supply

AS THE industrial alcohol market grew, other companies entered the field, and soon it became evident that a control of the raw material, molasses, was going to be essential. Accordingly, the alcohol companies bought tank ships and sent special representatives to Cuba to make contracts with the sugar planters.

There was a vast over-production of molasses. From every ton of sugar refined at the plantations was produced, willy-nilly, forty gallons of blackstrap molasses—molasses enough to drown in a syrupy sea all the griddle cakes and flapjacks in the world. The representatives of the American alcohol producers were, therefore, scrupulously careful not to be caught bidding against each other for this waste product of the

sticky, viscous mass out on the land, he was forced to sell it to the alcohol producers or to tow it out to sea and dump it.

The molasses buyer sat back in his chair, sipped his lime and rum, and told the planter very politely but firmly that he would give him a cent and a half a gallon for a million gallons and that he might do what he pleased best with the other million gallons which his refineries would produce.

Then the war came.

War demands vastly expanded our chemical industry and increased a hundredfold the consumption of industrial alcohol.

Then prohibition came.

The wisdom of the distillers was turned into folly; and they naturally turned their plants over into the industrial alcohol business which they had established and sold.

Then "anti-freeze" came.

The use of alcohol in automobile radiators to prevent freezing, aided by better roads and abetted by the county snow-plow, has made the motor car a twelve-month-vehicle for pleasure or business, and quite incidentally has, during the past eight years, created a market for fifty million gallons of denatured alcohol each winter.

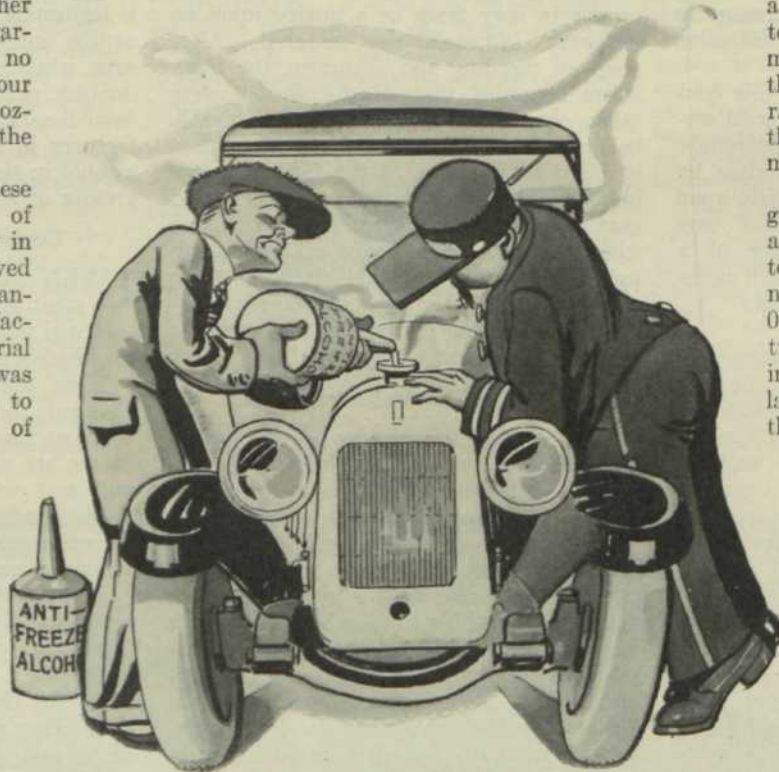
The War as an Economic Factor

THE Prohibition Law was passed in the very midst of the war, when there was a tremendous demand for solvent alcohol. It was necessary for explosives, for poison gas, for aeroplane dope, and for the development of the infant dyestuff industry. Accordingly, the Government put alcohol on the preferred raw materials list and literally begged the whisky distillers to help supply this essential raw material. The demand was great, the price was fair, and naturally, rather than scrap their distilleries, they turned them over into the manufacture of alcohol.

After the war the demand still grew, thanks principally to use in anti-freeze mixtures. From 1921 to 1926 our consumption of denatured alcohol mounted from 44,000,000 to 106,000,000 gallons—two-thirds of it manufactured now in the States of Louisiana, Maryland and Pennsylvania, and over three-fourths of it made from molasses. This perfectly natural industrial demand has transformed that syrupy waste product into an article of commerce so keenly sought that already efforts have been made to corner its market.

The Planter Puffs

NO LONGER does the sugar planter implore the molasses buyer on bended knees to take away by-product molasses at any price. He now sits in his little office building on the green Cuban hillside, overlooking the Caribbean Sea, and while the buyer bids for his molasses output he puffs thoughtfully at his cigar. He has suffered lean times since the World War, due to sugar overproduction; so that his government this year has taken a hand and helped him restrict the total output of the



If there were no denatured alcohol, every motorist would have to have a government permit, and would have to use his anti-freeze under government inspection

plantations. Unwittingly, the Cuban Republic helped them by passing a wise conservation law which forbade the sugar planter to dump his molasses into any stream or river. As he could not pour the

island to four and a half million tons of sugar, which, yielding forty gallons of blackstrap molasses to the ton, will give a molasses output of only 180,000,000 gallons this year. His bankers do not let him forget that, if the United States is going to use over 100 million gallons of alcohol in industry, then the American alcohol industry will have to buy about 250 million gallons of molasses, or over fifty million gallons more than the estimated output of Cuba.

Nor does he overlook the fact that nowadays some fifty million gallons of blackstrap go into cattle feed. Accordingly, he calculates pretty shrewdly that those fifty million gallons would just about take care of all the molasses that could be shipped to America from San Domingo, Java, Porto Rico, and Hawaii, or that will be recovered from the beet sugars of Europe or our own western states. And so he "sits pretty." He is quite human enough, of course, to remember the time when the molasses buyer held the whip hand, and just possibly he cherishes a dream or two about monopoly prices. At all events, the price of molasses has doubled during the past twelve months. If he is wise, however, the sugar planter will not forget that the chemical industry is the famous monopoly breaker of our day, and he will hold in remembrance the story of Chili nitrates and of Indian indigo.

He certainly cannot overlook the plain fact that methyl alcohol (wood alcohol) has been made synthetically out of chemicals in Europe, and that it is highly probable that before long a commercial process for producing chemically ethyl alcohol will be perfected. Moreover, he cannot be blind to the fact that, if the price of molasses goes too high, it is always possible to make alcohol out of soft, off-grade corn, and that as a last resort we could make alcohol as they do in Europe, out of potatoes. For, after all, this most useful of industrial solvents is also the universal intoxicant and can be made of any sugary, starchy material which will ferment.

A Difficult Job for Congress

BECAUSE Congress has declared all intoxicating alcohol null and void, it is extremely difficult for the Government to protect the legitimate use of tax-free industrial alcohol for which the denaturing law was passed twenty years ago.

Always and in all countries tax-free alcohol has been alcohol which has been rendered unfit for use as a beverage. To accomplish this purpose, the denaturing chemicals must not interfere with alcohol's legitimate use as a solvent in industry. They should also be chemicals that give

fair warning by smell and taste. And now in America, since the "cooker" has gone into partnership with the "bootlegger," they must be ingredients which cannot be removed by chemical or physical means.

In all countries, methanol (wood alcohol) is the legal denaturant. Our first denatur-



At our doorstep lay Cuba, oozing molasses, which could be made into alcohol

ing law required twice as much methanol as the present law, and that same old percentage is still enforced in England and in Germany. Just over the border, in Canada, they require six times as much methanol for denaturing as we do in the United States, and yet in none of these countries is a hue and cry raised that the Government is endeavoring to poison its honest citizens, for in none of those countries is there any incentive to denature industrial alcohol and divert it to beverage use.

Here, at the present time, is the core of the alcohol problem.

A Poisonous Denaturant

THE BEST denaturant, taken in sufficient quantities, is poisonous. But there is no other known denaturant which cannot in some way be removed from industrial alcohol or which at the same time does not destroy its solvent properties. The chemist may likely discover one—the substance that cannot be removed, that, like wood alcohol, gives fair notice of its presence by taste and smell and which still enables it to be used in industry. In the meantime, enormous industries have been built up upon the Government's assurance of tax-free alcohol.

Our chemical industry alone comprises over 8,000 establishments and pays over \$500,000,000 a year in wages to 384,493 workers. Paint, varnish, lacquers, all explosives, artificial silks and leathers, celluloid, perfumery and flavoring extracts, medicines—all are products that require

alcohol in their manufacture. In addition, alcohol adds an average of five months per year of usefulness to every automobile in the country. Based on the life of the average automobile, this equals an automobile production of 2,800,000 cars a year—all to say nothing of the widened usefulness of the automobile for the convenience of each one of us. Were there no denatured alcohol, every automobile owner would have to make formal application to Washington for a permit. His anti-freeze would have to be poured in under government inspection, sealed by a government official, and he would have to post a bond of \$5,000 to guarantee that he would not break the seal and drink his radiator water. Moreover, it would cost him about \$6 a gallon.

Drink or Solvent?

INEVITABLY, invariably, tangled together, intoxicant and solvent; this everyday automobile use brings home graphically to every automobile owner what denatured alcohol, tax free and without prohibition regulation, means

to industry. Only many a manufacturer buys by the tank car and must close his plant without alcohol.

Facts About Directors

IN THE SOUND belief that the stockholders of the General Electric Company "may be interested in knowing something of the men who make up the board of directors," the company has published a pamphlet including portraits and brief biographical sketches of the members of the board in order of seniority.

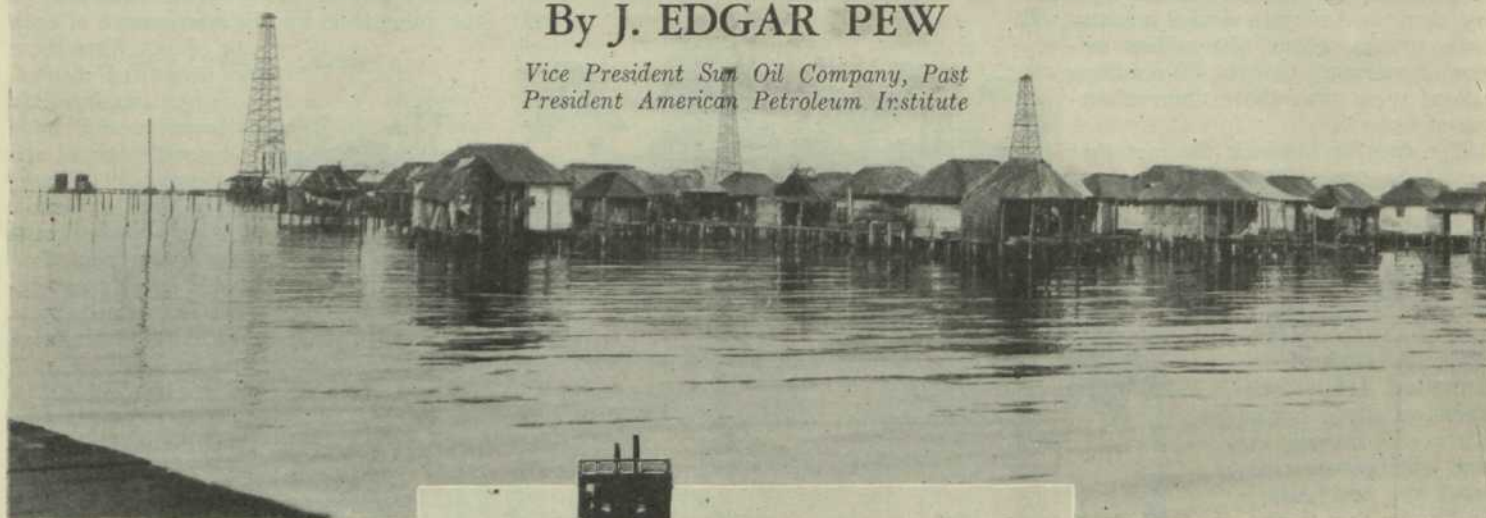
As disclosed by the pamphlet, the average age of the twenty men on the board is now sixty-four years, and the average length of their service about fourteen years. The oldest director is seventy-seven; the youngest is forty-nine. Seven were born in small towns, and thirteen in cities of more than 25,000 population. Thirteen hold university degrees. The others were educated in public or private schools.

So intelligent a provision for giving a more intimate view of the men who are directing a great enterprise is calculated to provide a reasoned confidence throughout the entire body of stockholders. It is now fairly apparent that a business sensitive to the spirit of the times is not only concerned with the "nationalization" of its ownership through wider distribution of shares, but it is also committed to "rationalization"—the humanizing of relations with its workers and with its stockholders.

Don't Worry About Tomorrow's Oil

By J. EDGAR PEW

*Vice President Sun Oil Company, Past
President American Petroleum Institute*



IF YOU are disposed to worry about fuel for your motor car at any time within its life span or your own, you should have been with me on my recent trip to Venezuela. Without making much noise about it, they are developing down there, on the northern rim of South America, *the world's next huge reserve of petroleum.*

Millions of capital, both American and European, are going into the country, and doing it on the basis of such industrial security that there need be little doubt about the country's future. Venezuela is on the point of becoming Exhibit A in efficient development of the tropics.

Ever since the internal-combustion engine conquered distance, whether by air, land, or the sea's depths, it has been realized that very much depended on future stocks of petroleum and its products. There have been epochs of pessimism lest petroleum be exhausted before science and invention could produce a satisfactory substitute.

Venezuela is one assurance of supplies for a long future. With the oil fields of the United States producing more than ever before, we find Venezuela is on the point of becoming a major producer. Last year it moved up to fourth place among the oil-producing nations, led only by Russia, Mexico and the United States.

In two or three years more Venezuela may quite possibly push on to second place, headed only by the United States.

The developed possibilities of Venezuela are so great that, whenever demand requires, the country can quickly produce quantities almost beyond our present imagination. It requires no effort to pic-

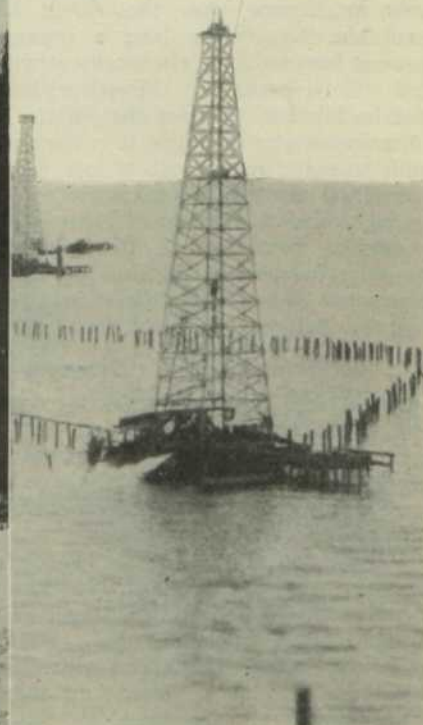


Venezuela, or little Venice, takes its name from such villages as this

ture Venezuela, *within five years, producing a million barrels a day: close to one-half of the United States' production!*

Its output will be limited only by the ability of the operating companies, under the influence of world demand, to drill wells and install transportation.

Industrial romance seems everywhere to go hand in hand with petroleum development. Columbus, seeking the wealth of the Indies, first sighted the mainland of America on the Venezuelan coast. He did not find the gold he sought, and died a disappointed



and discredited man. Yet less than 10 miles from the point where Columbus first sighted the mainland, the first oil well in Venezuela was drilled, a little more than four centuries later. That was in 1914.

Today, the country's developed production is about 250,000 barrels per day, although the actual production is being held down on account of limited transportation and storage, to from 45,000,000 to 60,000,000 for 1927.

Such figures have little meaning to anybody except the hardened oil man, accustomed to using astronomical symbols in dealing with the operations that furnish power to the motor cars, aircraft and shipping of the world. So let me put it in another way. *Within five years, Venezuela will probably be producing as much petroleum as the whole world produced in 1917!* But in 1917, Venezuela was not even listed among significant sources of petroleum.

Venezuela's possession of this resource marks it to be one of the wealthiest and most progressive of tropical countries. In area it just about equals Germany and France combined. Its great river, the Orinoco, is nearly twice as long as the Ohio; big steamships navigate it 700 miles. The country would provide room for all our original thirteen states, and two or three others in addition.

First Freed from Spain

NOT ONLY was the American continent first discovered here, but Venezuela was the first Latin-American country to revolt from Spain. Until the petroleum epoch brought its new day, it was one of the most backward of South American countries, and even now has only about 3,000,000 population.

A picturesque phase of Venezuela oil production is the drilling of wells in the waters of Lake Maracaibo. The Gulf and Lago Companies have extended holdings along the east side of the lake, much of the area in the lake. Lago's great opportunity seems to be in its rights to drill all over the lake, except within some shoreline strips. There are no insurmountable difficulties to such drilling, as concrete piling

is used for foundations, and the greatest depth is only 50 to 60 feet.

Engineering and geological work has required men of high ability and resourcefulness. "The geologists and engineers came first; they struggled with new problems, in a strange country and climate. Later came the road builders, transportation men and drillers, often working with equipment ill suited to its purpose; improvising, substituting, creating.

In lake drilling, derricks, standard rigs, boilers and other equipment are placed on piles. Motor boats, bungs, scows, every character of craft, are used for transportation. The Gulf Company borrowed from Noah the idea of an ark; it is 200 feet long, 40 feet beam, has shower baths, toilets, club room, dining room and dormitory for 50 men; with electric lights, frigidaire, and laundry.

Anchored well off the jungle shore, it is free alike from mosquitoes and shore temptations, and its inhabitants guess that they have a better lot than did old Noah's guests. It is likely that Lago's ultimate development throughout the lake will dot its surface with ark camps of this kind. "Admiral" K. W. Winship of the Gulf, and "Admiral" James Stewart of the Lago, if they ever meet Noah and Columbus navigating the Styx, will be prepared to give those old-timers some pointers on modern methods of building and operating arks. Oil from all the fields is taken out by barge tankers, drawing not over 13 feet of water, to points on the Caribbean, where it is reloaded into ocean-going tankers for shipment to the United States and England.

The two principal Venezuela cities are Caracas, the capital, and Maracaibo, on the northwest shore of Lake Maracaibo. But Curacao is the trading center of the Caribbean. It is a barren Dutch island 60 miles off the coast, with a fine, natural, deep harbor. Stretching across the inlet to the harbor is a pontoon bridge which opens and closes, permitting ships to pass. The toll for crossing the bridge is one Dutch cent, but if one hasn't the cent he may take off his shoes and cross free, no charge being made for barefooted travelers. This bridge is famous the world over as a

curiosity. The liqueur curacao, though made chiefly in Holland, derives its name from the Island of Curacao.

Although a Dutch crown colony, Curacao has probably fewer Dutch than Spanish, Jews, Negroes, Trinidadians, Portuguese, Venezuelans or Syrians. About all shipping in the Caribbean sooner or later touches Curacao, the great transshipping port. The community is completely international, and even has a language, "Papiamentu," all its own. It is the Brunswick stew of languages, the despair of linguists; a mixture of Spanish, English, French, Dutch, Portuguese, negro, Latin and Hebrew. It is spoken nowhere else in the world, save on one or two nearby islands.

Curacao and Slave Trade

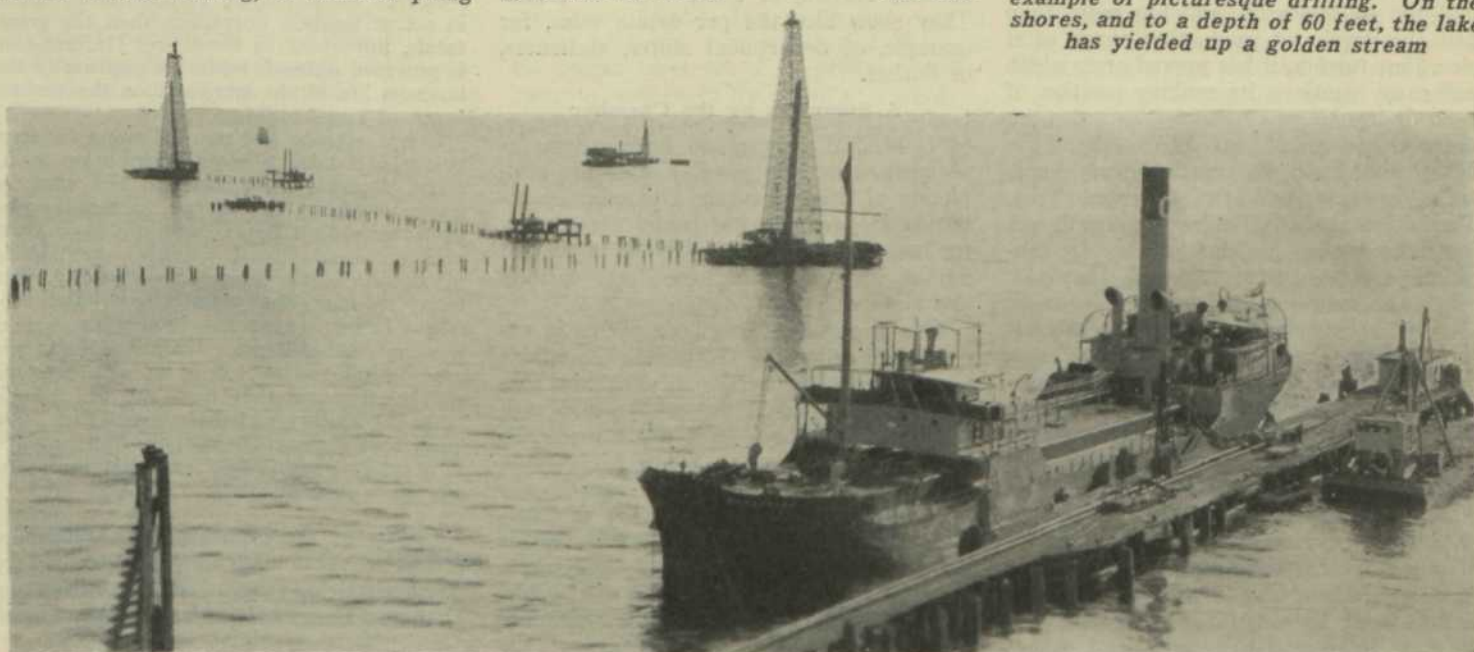
ONE-LEGGED old Peter Stuyvesant, before he was Dutch governor of New York when it was New Amsterdam, had been Dutch Governor of Curacao, where he is reputed to have made a fortune in the slave trade. Stuyvesant was a far-seeing old chap, for he always regarded the two islands of Curacao and Manhattan as the future great ports of the western world. Curacao has been greatly prospered because of the petroleum development.

The City and Lake of Maracaibo, and the Caribbean coastal area, are splendidly described in Sabatini's "Captain Blood"; La Guayra and Puerto Cabello figure in the romances of Richard Harding Davis and in Charles Kingsley's "Westward Ho."

Venezuela means "little Venice," from the native villages on piling along the lake—foreshadowers of the petroleum arks of today.

The country is a republic, and its president, Gen. Juan Vicente Gomez, is a great administrator, one of the real figures in Latin-American development. He has rescued his country from debt, placed its finances on a sound basis, earned the respect of the financial world. His measures have greatly advanced agriculture, stock raising, manufacturing, mining and oil development. He has been politically liberal,

Lake Maracaibo, Venezuela, offers a fine example of picturesque drilling. On the shores, and to a depth of 60 feet, the lake has yielded up a golden stream



has chosen able assistants, and done much to develop roads in the interior. The cities are well administered, streets are clean, and paving programs are in progress.

General Gomez is understood to plan making Maracaibo a great harbor by deepening its entrance channel. With this accomplished, it would presently be one of the first South American ports.

Asphalt, one of the products of petroleum, earliest attracted attention to Venezuela. The Barber Asphalt Company, operating through a subsidiary, drilled the first oil well in 1914. This subsidiary was the Caribbean Petroleum Company, now owned by the Royal Dutch-Shell interests, the Anglo-Dutch concern which is among the world's greatest petroleum corporations. Nearly all the first-class powers of world petroleum have recognized Venezuela's possibilities, and are there—Royal Dutch, Standard, and most of the great American independents. Thus the Gulf Company of Venezuela, a subsidiary of the Gulf Corporation of the United States, and the Lago Company, a subsidiary of Pan American, have important holdings and are sharp competitors. The Standard of Venezuela (Standard of New Jersey), the Richmond Oil Company (Standard of California), the Beacon-Sun Company (Sun Company of Philadelphia and Beacon Oil Company of Boston), The Orinoco Oil Company (Pure Oil Company), the Atlantic Oil Company of Venezuela (Atlantic Refining Company), the Sinclair interests, Union Oil of California, and Pantepec Oil hold millions of acres and are spending large sums in engineering, geology and drilling.

The Biggest Single Holding

IN MY judgment there has never been in the history of the industry a producing property, controlled by a single company, equal to the holdings operated by the Caribbean Petroleum Company (Dutch-Shell) in Venezuela. But developments may prove some others just as rich. New Jersey Standard has in the International's property in Colombia a developed production of great possibilities. At present Dutch-Shell produces and ships more than half the country's oil, and has more than half the developed production, much of it closed in; further, it has proved areas which will easily continue its ranking position, if it so desires.

Developed fields are all in the Lake Maracaibo basin, in northwestern Venezuela, opening into the Caribbean Sea. The lake is about 100 miles long, north and south, its greatest width 70 miles. Its saucer-rim basin extends around the east, south and west sides, 15 to 30 miles wide.

On all these sides oil has been found, but the greatest development is on the east.

In various fields, a merry race for production is being waged by the Caribbean, the Gulf and the Lago, although for lack of storage and shipping facilities much is being shut in. In the Mene Grande field 96 wells have been drilled, from 200 to over 3,000 feet; only six are recorded as dry or abandoned. They could produce 40,000 to 45,000 barrels a day, but hardly half of that is being let out, for want of facilities. Most of it goes to Curacao Island, where

the Dutch-Shell has the largest refinery in the tropics.

In the La Concepcion and La Paz fields (Dutch-Shell) 70 wells have been drilled, 22 of them dry or abandoned; 550 to 3,200 feet deep. This production could be greatly increased, but is being held in reserve.

In the El Mene field (British Controlled Oil Fields, Ltd.) 149 wells have been drilled, 45 of them dry or abandoned; 675 to 1,500 feet deep. In La Rosa field about 275 wells have been drilled, 38 of them dry or abandoned; developed production, about 135,000 barrels daily, but closed in to 70,000 barrels. There is much undrilled territory certain of production.

In the La Guinillas field the Gulf Company completed the first well, May, 1926. About 15 wells capable of producing 60,000 to 80,000 barrels daily have been opened, but less than half is being taken out. This is Venezuela's greatest producing field. The Caribbean, Gulf, and Lago all have extended proved but undrilled acreage. March 1, 1927, 50 wells were listed as drilling in Venezuela. Drilling has been

closed down very considerably this year. Venezuela's influence on the United States market this year will be little changed from last year; but later, with more drilling and transport, it will be a large factor.

America's Leadership in Petroleum

IN NO other great basic industry does America so impressively lead the world as in petroleum and its products. In 1926 this country produced 70.7 per cent of the world's petroleum. Nearly all the world's output came from seven countries, as follows:

	Barrels	Per cent
United States	775,000,000	70.7
Mexico	90,000,000	8.2
Russia	61,000,000	5.5
Venezuela	37,226,000	3.4
Persia	35,460,000	3.2
Rumania	23,299,000	2.1
Dutch East Indies....	22,200,000	2.0

The remainder was distributed among more than 20 countries. The grand total for the world was 1,096,608,000 barrels.

The Baltimore Retail Count

RESULTS of the first governmental census of retail and wholesale trade are given in a report which has just been issued by the Domestic Distribution Department of the Chamber of Commerce of the United States. The United States Bureau of the Census, in making the new business census, canvassed 15,000 establishments in Baltimore, Md. Extensive information on the distribution of merchandise was obtained, covering the number of establishments and employees; salaries and wages paid; total, average per establishment, and per capita sales; average and actual stocks; and percentage of business done by various types of stores.

Totals have been made available on the sales through 45 kinds of stores—grocery, drugs, hardware, jewelry, furniture, etc. The figures show how much the average cigar store sells, or the toy shop, or the gasoline station, or other types of stores. They show also the per capita sales, for example, of department stores, stationers, or florists.

A Summary by the Chamber

TO MEET the demand for a report, issued as soon as possible after the completion of the census, the Domestic Distribution Department has issued a summary for business men, containing the important figures and presenting the facts quickly and simply.

This department has been active in co-operating with the National Chamber's Committee on Collection of Business Figures, which planned the census, and with the Bureau of the Census which made the first canvass. Owen D. Young is chairman of the Chamber's Committee, which was appointed originally by Secretary of Commerce Herbert Hoover, as a committee of the National Distribution Conference. Paul T. Cherington is chairman of the subcommittee which supervised the Baltimore census. Alvin E. Dodd, manager of the

Domestic Distribution Department, in announcing the completion of the census and the issuance of the preliminary report, in an address before the Controller's Congress of the National Retail Dry Goods Association in Chicago, contributed the following statement:

One of the most positive and useful lights that has ever been turned upon this country is the census. It is one of the greatest services which Government performs. What darkness we would face today if we had no figures on population, on manufacturing, or on agriculture! Yet, in the important and vital field of distribution, we face exactly such a darkness.

The figures obtained in this census are valuable and unequalled. They give us a total picture of the distribution activity in one city—something we have never had. And there are included in the census a great many detailed figures on the various trades—figures which can be perhaps more useful in actual business operations than the grand totals, important as these are. Information is provided on each trade, its position in the business life of the city, and on the various types of merchandising.

It is a strange and unusual thing for anyone who is talking about distribution in its broad aspects to be able to say that he knows anything. A year ago, six months ago, even thirty days ago, I could not have given you an exact figure on the distributing mechanism of any large American city. But today we know that salaries and wages represent 12 per cent of the total sales of merchandise in Baltimore. We know that there are 199,000 people for every photographic supply shop and that there are 249 inhabitants per grocery and delicatessen store. We know that the average salary for an employee in a candy store is \$844 and that in a jewelry store it is \$1,834.

Copies of the report on the Baltimore census of retail and wholesale trade may be obtained for twenty-five cents from the Domestic Distribution Department, United States Chamber of Commerce.

Business at the Mid-Year Turn

SIX MONTHS ago, at the beginning of the year, NATION'S BUSINESS wired a group of industrial and business leaders, widely representative geographically of industrial and business activity for their opinion as to business in the early months of the New Year.

At the mid-year turn we asked the same leaders to look back on what they said, tell our readers how events have hit it off with their forecasts, and to express their views as to the next half of the year.

Here are significant statements from the replies:

By C. H. MARKHAM

Chairman,
Illinois Central
Railway System

THE EVENTS of the last six months seem fully to have justified the prevailing confidence expressed at the beginning of the year in the continuance of reasonably favorable business conditions. Business as a whole has averaged up to or even somewhat above the expected level.

Minor disturbances, serious as some of them have been in their local effects, have not noticeably deranged our economic equilibrium. This seems to me to indicate two reasons for continued confidence:

First, the enormous strength and diversification of our business activities constitute a vast reservoir of stability upon which our nation can draw in time of need;

Second, likewise contributing to stability is the increasing dissemination of business knowledge among the millions of men whose decisions and plans are responsible for the state of business as a whole.

I regard the second factor as particularly important because of my steadfast belief that the wide fluctuations of business from which we have suffered in the past, in many cases unnecessarily, have grown out of psychological more largely than out of physical causes, out of a fear of unknown dangers rather than out of the certainty of the known.

That we seem so largely to have conquered this fear of the unknown indicates substantial progress in the science of business; and such progress, coupled with the momentum business in general now has, is

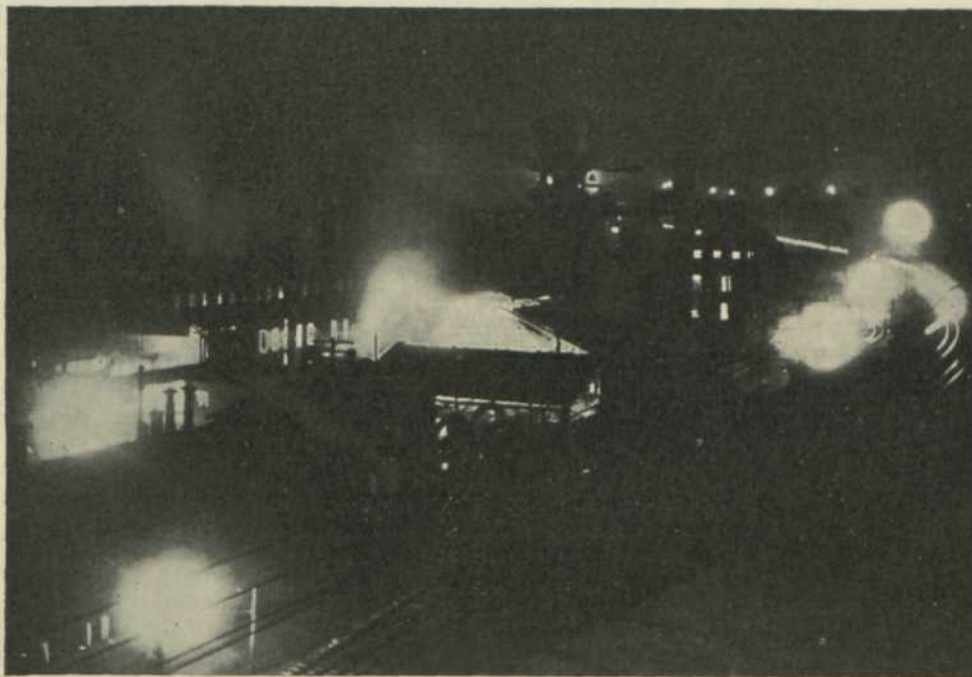
one of our best reasons for viewing the future with the confidence which prevails today.

The additional safeguard of having extensive and well diversified activities could not better be exemplified than in the present flood disaster. Present indications are

ness the balance of the year will be other than good. Any falling off will be but slight.

By FELIX M. McWHIRTER

President, People's State Bank, Indianapolis, Ind.



Fundamental industries, such as steel, continue in sound condition. The consensus of opinion is generally favorable for the next half-year

IT IS, of course, impossible ever to indicate an economic progression with scientific accuracy because of the nature of the various elements entering into it, and because of the many factors which may arise and serve to deflect, over which humans, at least, can have no control—or very little—and many of which cannot be foreseen or foretold. An economic trend, however, can be of such a nature as to be clearly discernible and permit of certain conclusions based on fairly sound reasoning from which encouragement may be taken.

that many thousands of acres of land in the lower Mississippi valley may not produce a full crop this year. In this region especially, because farming is financed almost wholly by credit and because low prices prevailed at the marketing time for last year's cotton crop, the loss of even a part of this year's crop is bound to have a serious effect upon local business conditions. And yet, despite the seriousness of this result locally, the South has such a broad economic foundation that there is no danger whatever of a serious derangement to business in the South as a whole.

Considering the immediate future of business on a national basis, I believe we are fully justified in expecting a continuance of reasonably favorable conditions.

By JAMES P. ORR

The Potter Shoe Company, Cincinnati

I BELIEVE my opinion expressed last December as to business in the first six months of 1927 has been in the main correct. While it has been good, production has, in the majority of commodities, scarcely equalled the peak of 1926. I think we may look forward to its continuing on about an even keel the balance of this year. Money should be plentiful and easy. Aside from the coal situation, there are no apparent differences between capital and labor. I see no reason to believe that busi-

There was reason to believe, as the elements presented themselves, that there would be fairly distinct economic improvements during the first period of 1927. There have occurred, of course, catastrophes of one nature or another which could not but retard any favorable development, if there were such—such as our great Mississippi flood, and other elements such as the untoward climatic conditions existing over the agricultural productive areas of the country, and such as conditions in China and other parts of the world. All of these and others that might be termed "surface indications," such as the fact that agricultural interests have not enjoyed the lucrative markets which they have needed and industry has not been as robust as any or all of us might have desired, might cause one to feel discouraged and perhaps take the view that there had been retrogression rather than economic improvement.

A close analysis, however, will demonstrate that there are other indications decidedly encouraging which bear every evidence of a direct connection with basic, fundamental principles and which, if actually present, cannot but be of the most encouraging character. There can be little doubt that there is a pronounced public opinion, well established throughout the country, demanding economy in government, both state and national, and that it has borne fruits, although there is still much to do. There has not been the scien-

tific adjustment of our tax program, and industry has been retarded to a marked extent by the unreasonable discrimination of the income tax levied against corporations as distinguished from individuals. Congress should hasten to correct this injustice. Under present conditions, no industry or group should be expected to pay in excess of 10 per cent of its net income, and, of course, it is a fallacious argument and unsound economy to believe that in laying a heavy tax upon corporations a heavy tax is not laid upon the individuals composing the nation.

The lack of demand of industry for funds and a plentiful supply has produced a low money market. In times shortly gone by, this would have been taken merely as a depressing indication, but quite to the contrary, industry, generally, has seized upon the situation, as an opportunity, to refinance itself on a lower interest basis. This and many other factors indicate that the people generally have come to realize, at last, that the various panaceas which have been offered as a cure for one situation and another have no foundation and that, as a consequence, they have begun to indulge in some introspection, with the thought of discovering whether they cannot help themselves, and accordingly have found many ways to do so, and are now helping themselves.

The conclusion, from a logical consideration of this situation, would indicate that there is a marked improvement in the economic trend; that in spite of various things which might indicate the contrary, the situation has improved throughout the last six months and that there is a more healthful economic situation now existing than has existed for several years; that we have faced about and are now looking directly at fundamentals, tried and true, which have not only helped to improve the present situation but hold out great promise for the times to come.

By WILLIAM J. DEAN

Nicols, Dean & Gregg, St. Paul

THE BUYING movement, which it was hoped might develop in this section by late spring, has not materialized owing to weather conditions which, although unfavorable for immediate business, have been excellent with the exception of the low lands and promise, with a normal amount of warm weather during the next two months, more than an average crop which would encourage buying, but probably not to such an extent as to bring the year up to a normal one for business. Fundamental conditions are good. Everything from now on in this market is dependent on the weather.

By A. L. HUMPHREY

President, Westinghouse Air Brake Company, Pittsburgh, Pa.

THERE is no immediate prospect of any momentous changes in the volume of domestic business, notwithstanding some signs of relaxation and undoubtedly a lower profit margin. Our internal problems of business are insignificant indeed in a world sense, but it is in just such a period of

tranquillity that our business leadership must be constantly and keenly alive to a changing world—a world in which business is now a dominant force, shaping the relations and even the ultimate destiny of nations.

Through the Federal Reserve System America has marshalled her financial resources and power and can deal wisely and effectively with financial conditions throughout the world. American business should profit by the example and follow in the steps of finance. If we do this with a clear comprehension of world conditions and a wise use of our world power, we may insure domestic prosperity not for five years, but for another generation and go far toward establishing the basis of a practical and permanent world peace, as well.

By MAJOR E. G. GRIGGS

St. Paul & Tacoma Lumber Co., Tacoma, Washington

LUMBER conditions on the coast are bad. Mills are now operating on 25 per cent curtailment program, and many have been shut down by red balance sheets. We are running on slow bell and preserving our payrolls on reduced capacity, as these payrolls are the life of the community. We have been giving our products away too long, and cannot replace our stumpage now being wasted, pay our taxes or stand our overhead on present selling prices. Our lumber is providing freight for railroads and steamers, but if industry is not prosperous, freight space will go begging.

By H. E. BYRAM

Receiver, Chicago, Milwaukee & St. Paul Railway

THE outlook for 1927 as viewed at the present time is not materially different from the situation as outlined in my forecast of last winter, although, of course, a change in the condition of the crops now growing would undoubtedly make a change in the situation later in the year.

By STANLEY H. BULLARD

Bullard Machine Tool Company, Bridgeport, Connecticut

NEW ENGLAND business during the half year now drawing to a close has continued the general forward movement which, with but slight and relatively short interruptions, has been notable since the middle of 1924, when the curve took a decided upturn.

While this satisfactory condition is, in large measure, a direct reflection of the soundness and stability of business the country over, which has not been adversely affected even by the great catastrophe which has befallen the flooded area, there should be granted a large measure of credit therefor to the new spirit which has been engendered in this old section by the activities of the New England Council, an organization which has as its chief objective the development of a fuller understanding by New England of the problems which are peculiar to its industries and the

upbuilding of a spirit of true cooperation in the solution thereof. Organized research is already beginning to demonstrate its value.

The financial position of the district is undeniably strong. The productive capacity of our plants is generally well occupied and controlled with the labor situation in a most satisfactory condition, as evidenced by the extraordinarily low rate of labor turnover. Our manpower is quite well occupied at satisfactory and comfortable rates of wage which reflect directly in generally good purchasing power as well as in an ability to increase personal financial reserves.

Under the conditions outlined and granted a continuing development of the New England spirit of "First merit it, then get it," there would appear to be no reason to fear a recession in business during the balance of the year.

By MAX W. BABB

Allis-Chalmers Mfg. Co., Milwaukee, Wis.

THE GENERAL outlook for business in the last six months of 1927 is fairly favorable. Notwithstanding some developments this year of adverse nature which ordinarily might have had a far-reaching influence, business has continued with no serious interruption, although in some particular instances the lines of business directly concerned have been affected to some important extent.

Labor is fully engaged, in most sections of the country, at good wages. The buying power from agricultural sections will probably be somewhat larger than last year notwithstanding adverse conditions in some localities. Money is easy and will probably remain so throughout the year. In the power machinery field there continues to be an active market for such machinery, although with a noticeable slackening in some lines which would indicate that perhaps there will be some reduction in the volume of business offered in the last half of the year as compared with the same period in 1926.

By SAMUEL C. DOBBS

*Banker and Industrialist, Atlanta, Ga.
Dobbs Mortgage & Investment Co.*

THE BUSINESS outlook for the remainder of this year is hopeful and encouraging. Industry is active, production is high, and wages are good. Money is cheap and plentiful. Railroads are carrying a record volume of tonnage. Agriculture is depressed—farmers are still depending too much on the fatuous promises of political agitators to legislate them into an era of prosperity, which can come only through the intelligent application of energy and industry.

On the whole, I see no ominous clouds on the horizon.

Labor is contented, industry is busy, and money is in amply supply.

The mere fact that the disastrous floods in the Mississippi Valley have caused hardly a ripple on the business surface is, to my mind, most assuring. I am not apprehensive over silly land booms or serious depressions.

By W. L. CLAUSE

Chairman, Board of Directors, Pittsburgh Plate Glass Company, Pittsburgh, Pa.

I SEE no reason for materially modifying my views expressed at the beginning of this year, and I think the opinions then stated apply equally well to the last six months.

Building permits have been just a little better than was expected. On the other hand, the automobile output is not quite as good. I think the year, as a whole, will have proven to be a very satisfactory one, and I think will very closely approach the results of last year. In some lines it will no doubt exceed, and in others it may slightly fall below the volume of last year's business.

By JOHN W. ARRINGTON

President, Union Bleachery, Greenville, S. C.

ASSUMING that we shall have as good a business for the last month of the half year as for those preceding it, I think a not-uncommon golf score, "dormie six," would be applicable—or, stated in another way, "six up and six to play," meaning thereby that the first six months have been winners and it remains for the last half of the year to do as well.

Without bringing into play the usual barometers such as the trend of commodity prices, conditions of employment, freight car loadings, supply of money, and so on, after all is said and done business is going to be good or not, depending on the supply of money in the hands of the people at large and their willingness to spend it. Conditions in these two respects I would say

are distinctly favorable for the balance of this year being normally good.

By JOHN M. CRAWFORD

President, Parkersburg Rig & Reel Company, Parkersburg, W. Va.

I SEE no valid basis for predicting anything but generally sound and favorable business conditions for the second half of the year. It is true that profit margins are being affected to some degree by brisk competition and consequent tendency toward commodity price decline. To offset this we may reasonably expect greater attention to expense items, increase in production and corresponding activity as long as goods consumption is satisfactory.

The credit situation seems unusually sound, predicting lower interest rates; car loadings and bank debits show strength and increase; and the trend of new construction contracts indexes satisfactory increase in business activity.

Overproduction in the oil industry is being intelligently handled by mutual agreement of operators and application of remedial policies which should quickly bring about desired results. Everything considered, the rail outlook is good and that for securities favorable and encouraging.

By ALVAN T. SIMONDS

President, Simonds Saw and Steel Company, Fitchburg, Mass.

THE FORECAST submitted by me in December, 1926, was:

"It is good business to estimate that 1927 will not be as good as 1926. The depres-

sion may not come till 1928, but the odds are about three to one that it will come in 1927."

This forecast seems justified by the events. I am willing to let it stand just as it is for the remainder of 1927. It is strengthened by three outstanding events that have occurred since it was written:

First, the depression in Japan, where at last the dirty dishes left by the war are being washed.

Second, by the speculative collapse in Berlin. It was pointed out when the Dawes Plan was put into effect that it would make trouble as reparations increased toward the maximum in 1928 or 1929.

Third, the failure of the Federal Reserve Board to prevent over-speculation and business recessions by controlling credit. The Federal Reserve System by mobilizing credit has become an economic force that probably has eliminated panics and that can also reduce the severity of depressions in business. Business depressions come as the resultant of many economic forces both at home and abroad. Neither government nor any government-created agency can dictate the resultant of all these world-wide forces. Just now these forces do not appear to be favorable to booming business such as we have had in 1925 and 1926.

It is generally agreed that 1923 to 1926 have been the four years of the greatest business prosperity in the entire history of business in the United States. Therefore, with every month from now on, until the bottom of the coming recession or depression is reached, betting odds on declining business increase.



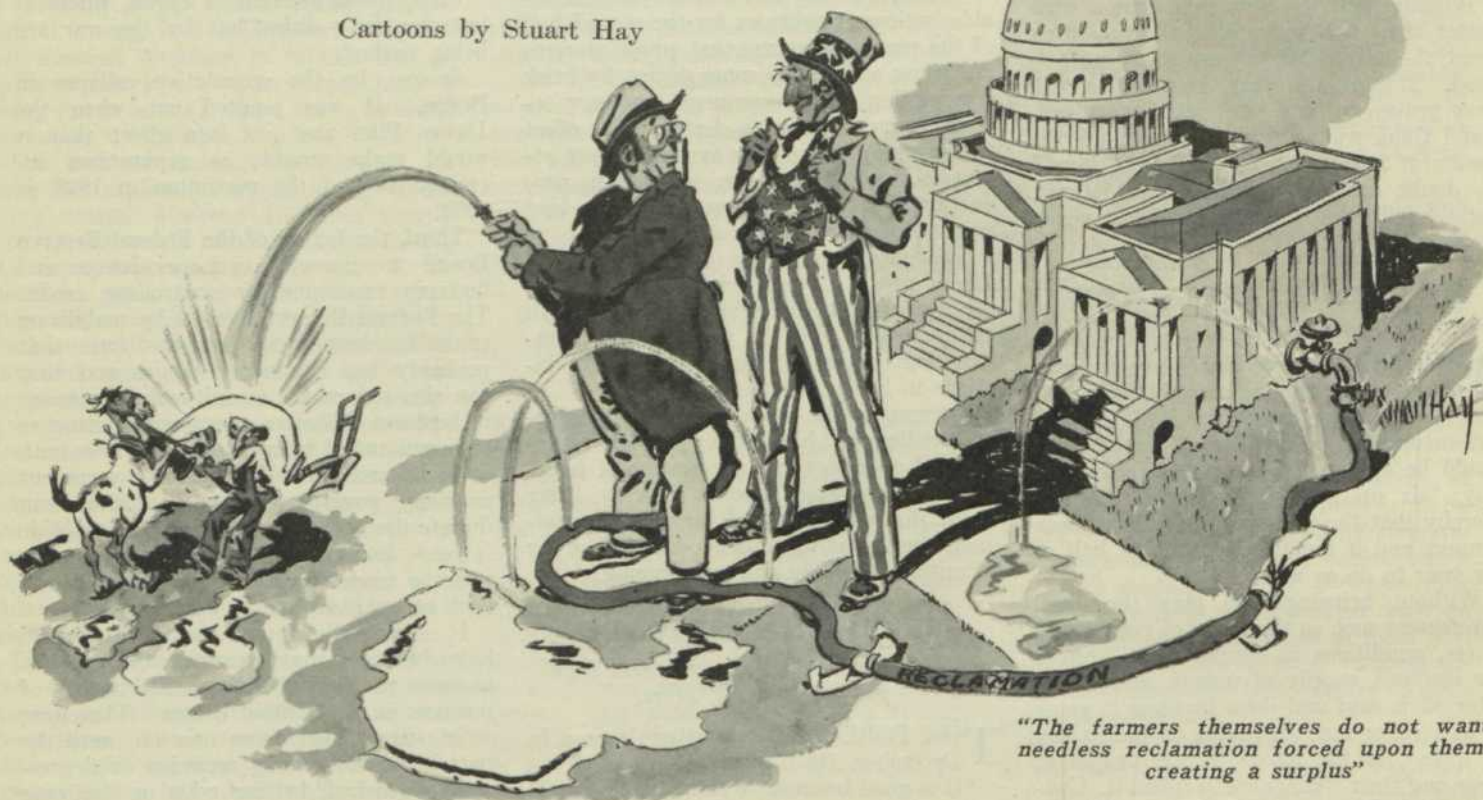
No dark clouds are seen on the horizon by the experts contributing these predictions. The weather will play an unusually important part in the country's prosperity—or lack of it—particularly in the agricultural sections in the next few months, some think

Our Reckless Reclamation

By WILLIAM R. WOOD

Congressman from Indiana, Member House Committee on Appropriations

Cartoons by Stuart Hay



"The farmers themselves do not want needless reclamation forced upon them, creating a surplus"

IF I HAD a hundred million dollars and were asked to invest it in the automobile business I would, first, want to get a bit of information about that business.

I would ask about the present production of automobiles and whether we needed any more; and if so, what particular sort we needed most. I would find out all I could about future requirements in order to avoid creating a surplus that could not be used; and would ask about many other things of a collateral nature.

Uncle Sam should ask some such questions about reclamation. We have heard a lot about making the desert blossom like the rose, or making two blades of grass grow where only one grew before; but would it not be wise, first, to find out if more roses were needed, and to what useful purpose that extra blade of grass might be put?

Scientific Reclamation

WE NEED water power. We need rubber. We need reforestation. We need many other things, all closely related to reclamation. Why not demand a new deal, therefore, and give our future reclamation activities a manifold character, and not let them continue simply as a matter of running water on or off the land.

Let's have scientific reclamation. Let's have it in those sections where it will do the most good. Let's make a sound investment of our money, always keeping in mind the future growth of the country. But let us not create a needless surplus of farm products when our farmers are already clamoring at the doors of Congress

for such legislation as the McNary-Haugen Bill to help them dispose of the surplus they are already producing; and it should be borne in mind that farmers from the reclamation projects were not here supporting that measure. They were engaged in diversified farming and such legislation did not appeal to them.

The sum of \$50,000 appropriated by the last Congress for a study of the possibilities of reclamation in five of the southern states with a view to investigating timber lands, cut-over lands and river bottoms promises excellent results because the study is to be scientific in character. That must be our example in handling this entire subject. We must consider all the related problems together.

Reclamation has wonderful possibilities with reference to furnishing power. Take Boulder Dam in the Colorado River, which has at least a fourfold plan. One is reclamation, one is power, one is water for domestic use, and one is flood control.

What is true of the Colorado River project is true of Muscle Shoals, where it is proposed to make munitions for defense in time of war, and fertilizer at reduced prices in time of peace; with power as a by-product for that section to use in operating machinery for the manufacture of untold quantities of materials. Considered in their entirety, both Boulder Dam and Muscle Shoals appear in a new light.

Irrigation is a part of reclamation, and millions of acres of arid lands that have been reclaimed would yet be arid but for irrigation. In reclaiming desert wastes by

this process the Government principally has furnished the money, although in some instances private capital has been employed. Only a few of the privately operated projects have been successful, their promoters being unable to finance them adequately. Most of them failed because they could not be developed.

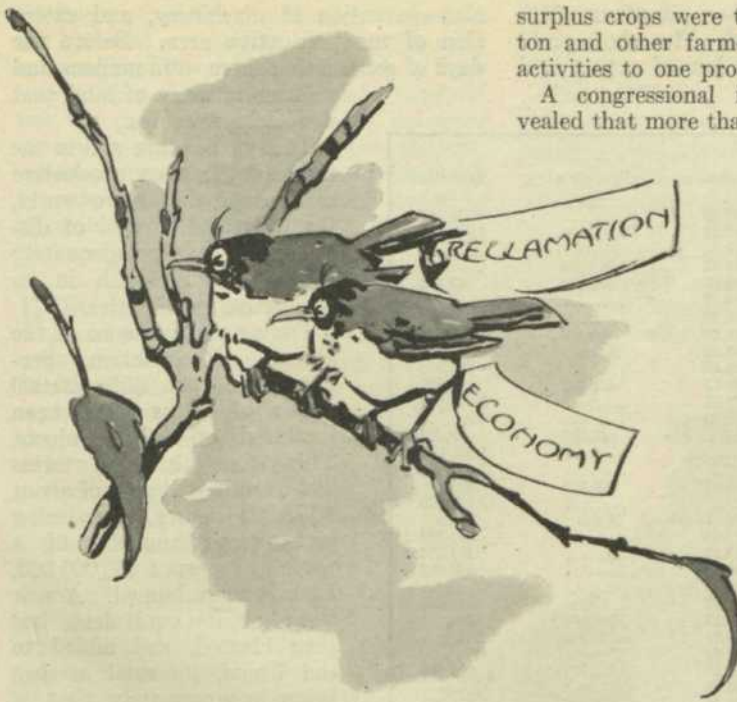
Where it has given assistance, the Government has advanced money at 4 per cent, allowing a period of fifty years for repayment. In several cases the Government has forgiven the debt at the cost of many millions of dollars to the taxpayer. In others, to secure what has been advanced, additional millions have been appropriated to enlarge the irrigation projects.

Expensive Projects

THE TOTAL cost of reclamation construction work as of June 30, 1926, had reached the huge sum of \$166,526,901.03. The fact-finding report of a special advisory committee to the Secretary of the Interior, which was submitted to Congress three years ago by President Coolidge, showed a total loss to the Government of \$27,691,144, which sum may be reduced or increased as the result of further investigations now being made on several projects.

How widely these losses have been distributed is shown in the tabulation on page 28.

One group condemns Congress for making these appropriations, for the reason that our farmers are already producing too much and that overproduction is resulting disastrously to them. But, on the other



hand, the population of those western sections where irrigation is indispensable would be ruined if these irrigation projects were discontinued. There could be no further development in the arid sections if it were not for the continued administration of public money for that purpose.

I have visited many of these projects. Take the Yakima, Washington, project; some of the most delicious apples in the world come from there. It is contributing greatly to the welfare and prosperity of that section. Take the Hood River country in Oregon. It is a veritable Garden of Eden.

When the projects were undertaken, all that was thought necessary was to dig main ditches and laterals to supply the water. For a while it worked on that simple basis, but it was soon discovered that without drainage the operation was forcing the alkali in the ground to the surface, and, in consequence, many lands became unproductive.

Paradoxical though it may seem, in this reclamation work it is first necessary to get the water on the land and then find means of drainage to draw it off.

It has been demonstrated that where lands are irrigated, a much greater volume of production can be obtained than from land that is not irrigated. In other words, a ten-acre tract of State of Washington irrigated land will produce in money return five or six times the return the same acreage would produce in the corn belt of Indiana, Illinois, or Iowa; but to obtain this production in Washington State, between \$100 to \$200 an acre must be spent in preparing for irrigation.

Diversification Helps

DIVERSIFICATION is a characteristic of reclamation farming in the west. The diversified farmer on reclamation projects, raising alfalfa and other products, was not in Washington as an advocate of the McNary-Haugen Bill. No matter where he came from, the man who was a diversified farmer could find but little consolation in that proposal. Those who were looking to that measure for relief from the pressure of

surplus crops were the grain, tobacco, cotton and other farmers who confined their activities to one product.

A congressional investigation once revealed that more than one-half of the farmers in the Northwest did not raise chickens, pigs or cows, and when wheat failed them they had an entire failure in their source of income. The same sort of thing is true in the cotton section, or wherever there is lack of diversification. It stands to reason that if all farmers were raising hogs, there would be an overproduction of hogs; or of cattle, an overproduction of cattle; and so on throughout the list of agricultural production.

As an illustration how diversification may cure farm ills, consider the improvement that followed in those areas that were devastated by the boll weevil. Farmers turned from cotton to other crops and began making good. Many have since looked upon the boll weevil as a blessing in disguise because it forced some sections that raised nothing but cotton to turn to other crops for which there was demand, and which could be profitably produced.

If the McNary-Haugen Bill had become law, it would have discouraged rather than encouraged diversified farming. Those most urgent in opposing it based their opposition upon that fact, declaring that the diversifying farmer was not complaining of his situation.

Farmers must take their chances with many things. Frost may come too soon, or there may be unusual rains, or there may be numerous pests. Their problem is a hard one to determine. No one can tell next year's production, or the production of the next six years. The farm question would be an easy one to settle if it could always be known just how much production would be necessary to take care of the wants of the people, and what the weather and other conditions were going to be.

We could learn how to direct reclamation to meet the needs of our constantly increasing population if we studied the situation properly. There is going to be an increasing demand for farm products as the country grows. It can only be met, and will be met, by intensive farming or by development of the agricultural regions that are a part of the arid area of the country, or of the swamp lands. Intensive farming and constantly improving farm machinery will help solve the problem as it appears.

Modern appliances make it possible for one man today to

do as much as half a dozen men did a quarter of a century ago. Within the memory of men still living wheat was harvested with a cradle, stacked, shocked, and threshed with a crude threshing machine. Today one transaction does the whole thing. Wheat, when ripened, is cut, threshed and sacked, all at one process.

When the country was new, land was cheap. It was not appreciated. It was let go to waste. Now the cost of land and the cost of living are high, and we must be careful if we would guard against future necessity.

When I was a boy everybody thought of Michigan as a great lumber state. Now there is little or no lumber in Michigan. So elsewhere.

The Problem of Trees

THAT brings up the subject of reforestation. It has a distinct place in the scheme of reclamation of waste lands. In Austria, one hundred and fifty years ago, the land was nearly denuded by reason of the lack of trees. A program of reforestation was undertaken—complete supervision over all timber, even over that on private property. When a man cut down a tree he had to plant two. Austria's timber and forestry problem was largely solved by that precaution. We must do something of the kind in tying up reclamation and reforestation.

We need rubber. We must soon find a future supply of that product. We must grow our own rubber trees. Several plants now growing in the United States offer possibilities of furnishing some of our requirements. One of the phases of the study of reclamation in the South will look to the likelihood of a program of rubber growing, since climate and soils seem adapted.

Whether we need more reclamation for farm production is at present a moot question. It may be that we have been going a bit too fast in agricultural production due, no doubt, to war demand, when farmers were urged "to produce more and then some more." The reaction that is taking

We must kill two birds with one stone: reclaim, but scientifically, with thought to economy



place in the agricultural sections differs only in degree from the reaction that took place throughout the industrial sections at the close of the war, the difference being that it takes longer for agriculture to work out a readjustment.

Farms Are Vital

OUR FARMERS have had many sad experiences heretofore, but out of these dilemmas years of prosperity have come, and history will repeat itself. We cannot escape the fact that the farm is the base upon which the superstructure of our existence has been built, and if this base is destroyed the superstructure must fall. Yet there should be no waste places. If we do not need them today we will need them tomorrow. So, while we should continue reclamation activities, we should profit by the experience of the past. The Departments of Agriculture of the states and that of the Federal Government, for one thing, ought to conduct a most careful soil study when the work is planned. The activities of these government agencies

should be coordinated—a situation which has not always obtained. The whole problem harks back to the law of supply and

demand—vention of machinery, and extension of the productive area. Before the days of reclamation there were millions and millions of acres of land that were barren wastes.

Today, these are well to the front of the most productive sections of the entire world, for when soil formed of disintegrated lava is adequately irrigated it is lavish in its productive possibilities.

During the existence of the Federal Reclamation Service more than \$500,000,000 worth of crops have been produced on such projects. Thirty-four thousand farms and a cultivated area of about 1,175,000 acres, producing gross crops annually of a value in excess of \$50,000,000, have been reclaimed. A new state, or its equivalent, has been created, and added to the Union, its total acreage being approximately that of Massachusetts.

This phase of our internal improvement must continue, but we must get more out of what we expend in the future than we have realized in the past. We must kill two birds—and more—with one stone.

Project	Construction Cost	Probable Loss	Definite Loss
Salt River.....	\$12,744,222.59		\$382,097
Yuma.....	9,175,546.24	\$2,700,000	1,361,000
Orland.....	1,221,384.38	None	None
Grand Valley.....	4,723,070.55	1,000,000	
Uncompahgre.....	6,438,176.91	1,500,000	47,370
American Falls.....	6,153,088.81		
King Hill.....	1,904,898.80		1,000,000
Minidoka.....	6,620,745.69	None	None
Boise.....	14,232,328.86	None	None
Garden City.....	342,963.68		334,475
Huntley.....	1,498,498.72	400,000	100,000
Milk River.....	6,742,873.04		3,000,000
Sun River.....	4,407,615.96		
Fort Shaw Division.....		130,000	70,000
Greenfields Division.....			1,850,000
Lower Yellowstone.....	3,166,526.77		1,000,000
North Platte.....	17,461,335.43	600,000	None
Newlands.....	7,535,319.37		3,500,000
Carlsbad.....	1,458,995.57	None	None
Hondo.....	339,491.68		371,886
Buford-Trenton.....	223,423.06		294,318
Williston.....	517,630.09		600,000
Rio Grande.....			
Umatilla.....	4,994,819.31		600,000
Klamath.....	5,187,141.18	500,000	250,000
Belle Fourche.....	3,566,124.41	750,000	None
Strawberry Valley.....	3,499,734.22	None	None
Okanogan.....	1,460,490.86	500,000	275,000
Yakima.....	14,405,603.05	None	None
Shoshone.....	9,344,258.50	750,000	2,325,000
Riverton.....	2,808,406.27		

demand. As the country's needs for more production grow, more production will be forthcoming, through invention and exten-

New Ice Makes a Bid for Markets

REFRIGERATION has been one of the liveliest instances of the new competition. The onset of electric refrigeration stirred the makers and dealers of ice to fight for their old markets and look for new ones. Refrigeration by gas is entering the field.

And now comes a new rival, "splid gas," to make an Irish bull or to be more exact the solid form of a substance with which we have been more familiar in its gaseous state.

It is carbon dioxide which we know as bubbling out of all our charged soft drinks. In its solid form it is called "carbice" by one maker and "dry ice" by another.

Most of us who remember a little chemistry from our school and college days know that most substances can exist as solids, as liquids and as gases and that ice water and steam are the most familiar instances. All gases have been liquefied by subjecting them to certain temperatures and pressures. There is a temperature at which each gas will become a liquid if great enough pressure is

By HARRISON E. HOWE

Editor of Industrial and Engineering Chemistry

employed, or, conversely, a pressure at which each gas may be liquefied if the temperature is lowered sufficiently. Many of the gases have been solidified by a further increase in pressure or decrease in temperature, but principally for laboratory experimental purposes only. Carbon dioxide, however, is now being solidified for commercial uses.

When we breathe, part of the oxygen

inhaled is converted to carbon dioxide as impurities are taken from the blood in the lungs. This carbon dioxide we exhale. If acid is poured on marble, which is a carbonate, carbon dioxide is given off. The gas which arises from fermentation is carbon dioxide and in some factories this is carefully collected as a by-product, is purified, liquefied, and sold in familiar steel cylinders.

The gas is odorless, colorless, and harmless excepting in quantities sufficient to interfere with an adequate supply of oxygen. Commercially the favorite source is flue gas, produced when coke is burned under

conditions so chosen as to give the maximum percentage of carbon dioxide in these gases. The heat generated is used to operate the compressors and other necessary machinery of the plant. The carbon dioxide is purified and then liquefied in several stages of compression, the gas being cooled meanwhile by allowing a part of the compressed gas at each stage to expand quickly over the coils conveying the incoming gas.

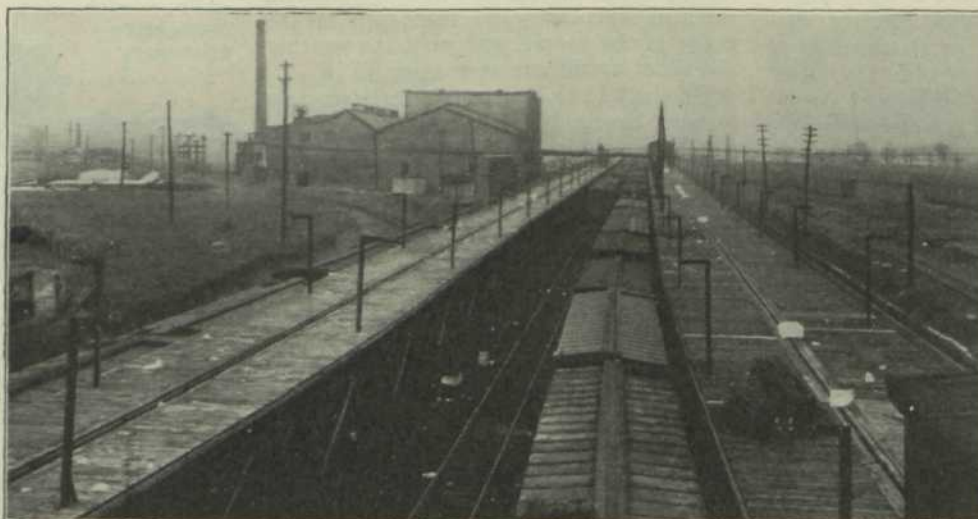


PHOTO COURTESY FRUIT GROWERS EXPRESS

A large railway icing station, with platforms equipped to ice 130 refrigerator cars. Will dry ice change such plants at some future date?

Cooling is thus accomplished and soon the gas becomes a waterlike liquid. The critical temperature of carbon dioxide is relatively high, which helps to make commercial the process which has been practiced for a long time. This liquid gas is put into cylinders for ordinary gas-using trades such as soda-water fountains, certain types of refrigeration, etc.

A Miniature Snow-storm

FOR the formation of our solid gas this liquid gas is led through a coil around a large expansion chamber. This cools the liquid, which is then permitted suddenly to expand through spray nozzles into the chamber. Immediately a snowstorm of solid carbon dioxide begins to fall. That part of the gas which is not solidified goes back into the system and is recompressed.

When there is enough snow in the chamber to form a block—a matter of two or three minutes—expanding carbon dioxide gas is used to operate a plunger which automatically reverses when a fixed size of cake has been compressed. The cake of, say, twenty pounds, is now removed and meanwhile the snow has been falling in the chamber to form the next cake. This is a brief outline of the process used in making "carbice."

The "dry ice" system uses a double-walled evaporator, the walls being separated by about an inch. In operation cooled liquid carbon dioxide is allowed to expand in the inner shell, the snow is filtered out by a filter cloth at the bottom, and the very cold gas released in the process passes between the walls of the evaporator, thus forming a cold blanket of gas between the two walls. The accumulation of snow is controlled by weighing, and when the required amount is accumulated, a manhole is opened, the contents are scraped out into molds, and compressed into blocks.

But what good is it and where does it enter into competition? Just at present it is in long-distance transportation and wherever the salty ice water resulting from common refrigeration is a nuisance. Also, there are many special cases, as for example where medicinal serums, antitoxins, and biological preparations are to be delivered by mail or maintained at a low temperature until used.

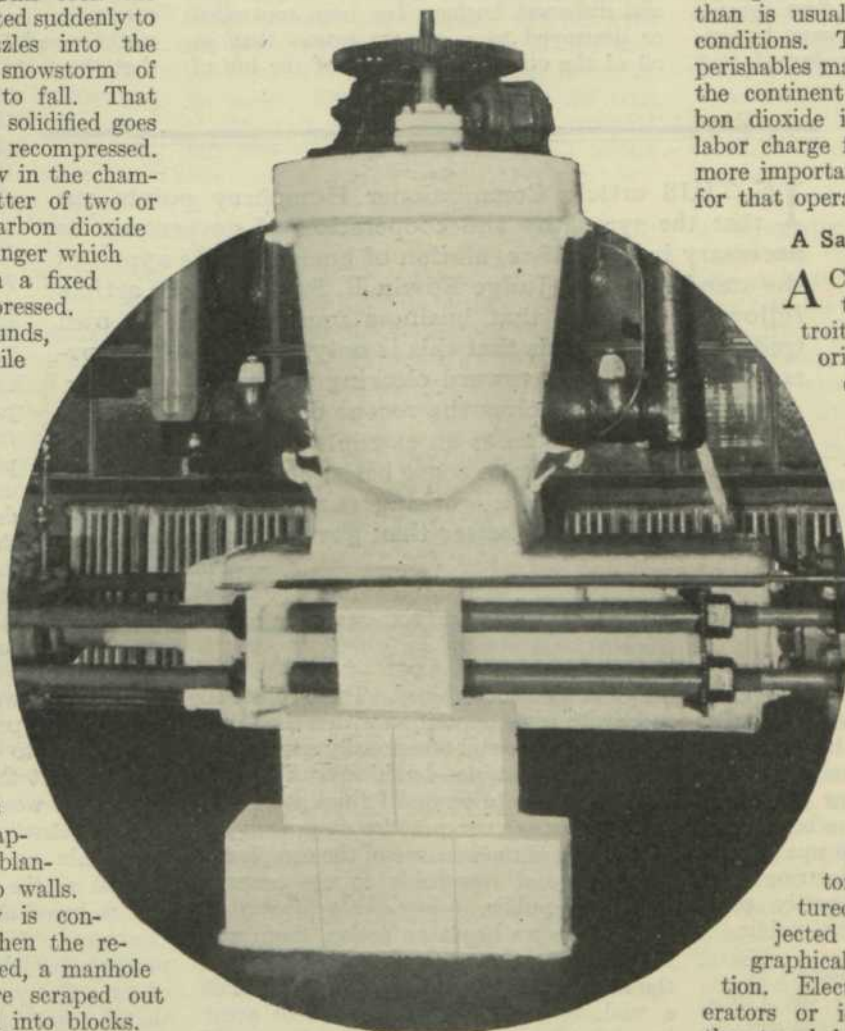
Warming Up Ice Cream

AT present solid carbon dioxide sells at approximately five cents a pound wholesale, but under certain conditions it is fifteen times as efficient as water ice. The temperature of the solid gas is from 110° to 114° below zero on the Fahrenheit scale. It is so cold that if grasped too firmly it will destroy cell tissue just like a burn. Ice cream sent by parcel post from New York to Washington was so cold upon receipt that it had to be warmed. Otherwise the tongue and lips would have been burned when the cream was eaten. Incidentally,

such ice cream has been shipped from New York to New Orleans and to St. Louis with perfect success.

The solid gas as it absorbs heat from its surroundings gives off a dry gas which produces a slight outward pressure, thus pushing the warm air away. This gives an insulating effect which greatly reduces the rate of heat absorption. The reverse is also true when a cake of water ice melts, for then its mass diminishes and the warmer air comes in.

Carbon dioxide is heavier than air, so



Blocks of solidified carbon dioxide, or dry ice and production unit. Compressed at 110° below zero, Fahrenheit, the new solid shows remarkable possibilities

that a protecting blanket is formed around and over the material being cooled. In this manner oxidation is avoided along with the discoloration which might otherwise ensue. The slight preservative effect of carbon dioxide is an advantage in the case of foodstuffs.

Ice Without the Water

THE gas being absolutely dry, it can be used for parcel-post shipments and in lightweight packages where paper cartons are employed, thus enabling mail or express shipments of many things that could not be sent, under common methods of refrigeration.

You may safely carry home your ice cream kept cold with dry ice, even though you are in full evening dress.

Here is a little cost accounting on dry

ice. Five gallons of ice cream packed in the usual manner for express weigh 150 pounds. The corklike balsa wood boxes and the new refrigerant reduce the same shipment to 50 pounds. Refrigerator cars of foodstuffs or other perishables have a definite percentage of their capacity allocated for the water ice and salt and must be cut out of the train some 20 per cent of the running time to permit re-icing.

The very low temperature of carbon dioxide introduces a factor of safety that enables a car to carry a much larger percentage of even more perishable freight than is usually attempted under present conditions. Trials show that carloads of perishables may be sent at least half across the continent without re-icing when carbon dioxide is used, saving not only the labor charge for re-icing but what is even more important, the time usually required for that operation.

A Saving in Ice Volume

ACARLOAD of fish sent from the Atlantic seaboard to Detroit would ordinarily require an original charge of 12,000 pounds of ice and 1,200 pounds of salt, with re-icing on the first, second and third days, bringing the total to above 17,000 pounds of ice and nearly 1,800 pounds of salt. This shipment with the new refrigerant went through in entirely satisfactory shape with only the initial charge of 1,200 pounds of solid gas. In such cases economy promises to be on the side of solid carbon dioxide.

The new factor in refrigeration is just making itself felt. At present some ten tons a day are being manufactured, but other plants are projected for points so chosen geographically as to facilitate distribution. Electric or gas household refrigerators or ice are not at the moment threatened, but they can't afford to ignore the newcomer. The new competition knows no favorites and is no respecter of either persons or processes.

A New Meat Source

IN THE past three years, the amount of Alaskan reindeer meat shipped for consumption on American tables has increased almost five times. The best estimates for the future of the trade show that within ten years a million Alaskan reindeer will be killed every year to provide steaks and cuts for the dinner table, says the American Trust Co.'s (San Francisco) Review of the Pacific. About twenty thousand were killed last year. The dressed meat averages thirteen cents a pound.

At the close of the last century the Bureau of Education imported more than a thousand deer. As a result of this importation, there are now 600,000 reindeer in Alaska, and herding bids fair to take its place as one of the leading industries of the "seven million dollar ice-box."

A New Spirit in Federal Trade Cases

By WILLIAM E. HUMPHREY

Member of the Federal Trade Commission

THE main purpose of this article is to let business, and particularly to let the bar of the country know for the benefit of the country's business, the recent changes that have been made in the practice of the Federal Trade Commission.

When, two years ago, I went upon the Commission, it was with the firm conviction that business generally was honest. This conviction has been confirmed and justified. Since I have been a member of the Commission more than 85 per cent of the business concerns, when their attention had been called to the fact that they were guilty of unfair practices, have without the taking of evidence, without trial and without expense to the Government, voluntarily offered to quit such practices. I know of no higher tribute that can be paid to the integrity of purpose of the men and women engaged in the business of this country. In other words, those engaged in business are of average intelligence and of average honesty. They represent the great body of American citizenship. Honesty is not distinctive of any class.

It seemed to me that the controlling view of the Commission when I went upon it was suspicion, a conviction that success was a proof of crookedness and that the purpose of the Commission was to annoy, disturb, discredit and harass business; that the chief use of the Commission was a publicity bureau to spread the doctrine that business was generally dishonestly conducted to the harm of the general public.

Important Policy Changes

WHEN I first went upon the Commission, some important changes in the Commission's policies were made. We stopped giving out publicity of the alleged facts when the complaint was issued. In other words, we stopped making a public statement as to the facts before we knew what they were; that is, we stopped convicting merely on suspicion. We stopped condemning without evidence. This policy had caused incalculable harm and injustice; it destroyed many firms without shadow of justification.

The shame of the system was shown in its utter defenselessness by the fact that in more than one-half of the cases those advertised as violators of the law were afterwards found by the Commission's own judgment to be innocent.

We also adopted the plan of giving the accused a hearing before advertising him as a violator of the law by issuing a complaint against him, with all the injury that would follow such action.

These changes have met with practically universal approval. They have demonstrated their value in many ways. Under

their operation of a little over two years the public has been protected from the fraudulent practices of more concerns, and honest business has received more benefit and dishonest business has been controlled or destroyed to a greater extent than in all of the other twelve years of the life of

IN THIS article Commissioner Humphrey points out that the sympathy and cooperation of government is necessary in the self-regulation of business. He approves the stand taken by Judge Edwin B. Parker in the article following, namely, that business must correct its own trade abuses and adds that this is only possible when government does its bit toward clearing the way.

Judge Humphrey cites the recent decision of the Federal Trade Commission as an example of one government body acting on a common sense basis, permitting business to clean house. It is a working example of the theory that self-regulation is better than government regulation.

—The Editor

the Commission combined. These rules still meet with some opposition within the Commission and are still occasionally assailed by some radical outside—but always with some selfish purpose to serve. I think it can be said that under our practice at present up to the time of the issuance of the complaint, it is fair and reasonable to the accused and to the public.

But once we began an action, there was no way that the respondent could escape the humiliation, the injury, and the cost of a trial. Often these trials were of great length and cost thousands of dollars. Of course, if the respondent elected to continue the fight, he justly deserved all that he suffered—for these penalties follow in all lawsuits. But in all courts, if the accused confesses his error and admits the facts, and consents to judgment, the litigation ends.

Courts Seek End to Litigation

ALL COURTS hold out every inducement to end litigation. Not so with the Commission. Once it had issued the complaint, the evidence must be taken—often in many widely separated places—the findings of fact made and the final order entered, with all the time and cost and publicity and injury that must inevitably follow. The accused, confounded with the facts or smitten by conscience, or terrorized by the burden of expense, might throw up his hands in surrender; might throw himself "on the mercy of the court," might plead guilty and ask the court to render judgment. In any court where our flag rules, this plea would be accepted and would

be regarded as commendable and would be encouraged. The last anti-trust act of Congress specifically favors consent decrees. The last decision of the Supreme Court on the question specifically commends them.

But this has not been so with the Federal Trade Commission. The wretch might surrender, he might admit his guilt, he might plead for mercy, he might cry out that the torture might end, but the Commission would continue to turn

the thumb screws and to apply the lash. He was told that no plea would be accepted, that the case must proceed to the end. Against this policy I have protested at every opportunity. It seemed to me that it was a barbarous, legal monstrosity. I protested against the injustice to the respondent and I protested against it as an outrage upon the public to spend public money that was wholly unnecessary in taking evidence as to facts about which there was no dispute. It was one of the most cruel and inexcusable exercises of bureaucratic tyranny in the history of the Government.

Finally, a respondent urged that he had wearied of litigation, that he had quit the practices charged, that he did not intend to resume them and that he would admit the facts alleged in the complaint; he would admit that the evidence already introduced in the case was sufficient to sustain an order, and that he would consent to the entry of an order and decree as broad as the complaint; and as the Commission's attorney was proposing to proceed to Chicago to take the testimony of some thirty witnesses to prove the facts that he was specifically willing to admit, about which there was not possible dispute, he asked that the Commission accept such pleas and enter decree.

Chief Counsel Decides

THIS proposal was submitted to the chief counsel, who decided that the Commission under such answer could not enter an order and recommended that the case proceed to trial and that our attorneys be sent to Chicago to call the witnesses and take the testimony. The Commission's attorney in the case, with great zeal, supported the position of the chief counsel, and to my amazement several other members of the legal staff did likewise. The record in this case, if it could be published, would furnish the bar of the country one of the most surprising and to my mind most amusing legal farces ever really seriously perpetrated.

Another respondent, about the same time, wanted to plead guilty and wished to know how it could be done. No one was able to advise him. The legal department was un-

certain. Finally he sent in an answer admitting the facts and consenting to the entry of an order and decree. The chief counsel's office advised that such answer could not be accepted, that they could not even be filed, and that they should be returned to the respondent and the case should proceed to trial by the taking of the testimony of witnesses.

While these cases were pending, the respondents in another case informed the Commission that they were not guilty of the charges made in the complaint, that they had never followed such practices and never intended to do so, and that they would not plead guilty when they were innocent; they would not admit facts that were not true, but as an order to restrain them from doing things they had not done and did not wish to do would not interfere with their business, and as the publicity of a trial would be more injurious than the publicity of an order, and as the cost of the trial would place an expense upon them of many thousands of dollars, they would not contest the case. So they filed an answer of *nolo contendere* (the refusal to either confirm or deny). Again the chief counsel's office recommended the rejection of such a plea and gave an opinion that an order to cease and desist could not be entered, and, as in the other two cases mentioned before, recommended that the case proceed to trial and the taking of testimony.

An Important Decision

AND so it came about by happy circumstances that at last the very propositions for which I had contended for more than a year were squarely before the Commission and had to be decided. Fortunately for the country, Edgar A. McCulloch, former Chief Justice of the Supreme Court of the State of Arkansas, had come upon the Commission, taking the place of Huston Thompson.

After thorough discussion of the questions involved, the Commission made what in my judgment is one of the most important decisions in its history—it reversed its former position. Hereafter, the Commission will accept the following pleas and will enter thereon an order to cease and desist:

1. An admission of the facts.
2. Consent to the entry of an order and decree.
3. *Nolo contendere* (refusal to confirm or deny).

These are all the same in law; all admit the facts. I think it must come as a distinct surprise to the bar of the country that the Federal Trade Commission has heretofore steadfastly refused to permit the acceptance of such pleas

or answers and has insisted that in every case the testimony must be taken. Or, in other words, has insisted that once the machinery has been set in motion by the issuance of a complaint, it cannot be stopped until all the processes of a trial, often long and costly, have been pursued to final determination.

I know of one case that has been pending for several years, where the attorney for the respondent has frequently stated that his clients were ready and willing at all times for the entry of a consent decree, that they were willing to admit the truth of the allegations of the complaint, but were not permitted to end the case in this way but were forced to trial and the taking of testimony; and that the cost of the trial of the case to his clients had exceeded \$100,000—and that they were still taking the evidence.

A Step to Check Litigation

UNDER this new practice, it is now within the power of the respondent to stop litigation at any time by any of the three pleas mentioned, and thereby end litigation—certainly a consummation devoutly to be wished. It will relieve the respondent of many burdens in cases where he is ready to have a decree entered against him, but is not willing that the Commission's attorneys shall travel about the country putting witnesses on the stand—often his competitors—and let them detail what they consider his iniquities, without his being represented at such trial.

Often a concern is perfectly willing to have a decree entered against it or is willing to admit the facts, but is unwilling to contest the action and is unwilling to permit the Commission to go from place to place, calling witnesses to testify against it, many statements by such witnesses probably being such that he might want to deny. A respondent might be willing to consent to a decree and not willing to stand by and permit many things that might be brought forth at a trial to go unchallenged. Under such circumstances, if he did not contest the trial, evidence might be introduced that was unfair and might greatly injure him or completely destroy him.

There may be many cases where the respondent may feel that he could prove his innocence, but the burden of a trial is so heavy that he would prefer an order to be

entered against him—particularly in a case similar to the one mentioned, where he has no desire to follow the practice of which he is accused.

The old spirit of the Commission apparently was to settle nothing—litigate everything. The more expense, the more publicity, the more traveling, the more benefit to the public. On the side of the Commission, this new policy will lead to the saving of large sums of money and of the service of many employes that can be used in cases where there is a real contest of the issues of law and fact. This will give real service to the public.

As an illustration of the saving it will be to the public in the case in which the plea of *nolo contendere* was filed, the respondents live on the Pacific Coast. The chief counsel's office had recommended that a member of the legal staff be relieved from his present duties for an estimated period of six months to try this case. The trial of the case would have cost the Commission at least \$25,000. It would probably have cost the respondents many times that sum. By accepting the plea under the new rule, we have accomplished everything that we could possibly have done after a long and expensive litigation.

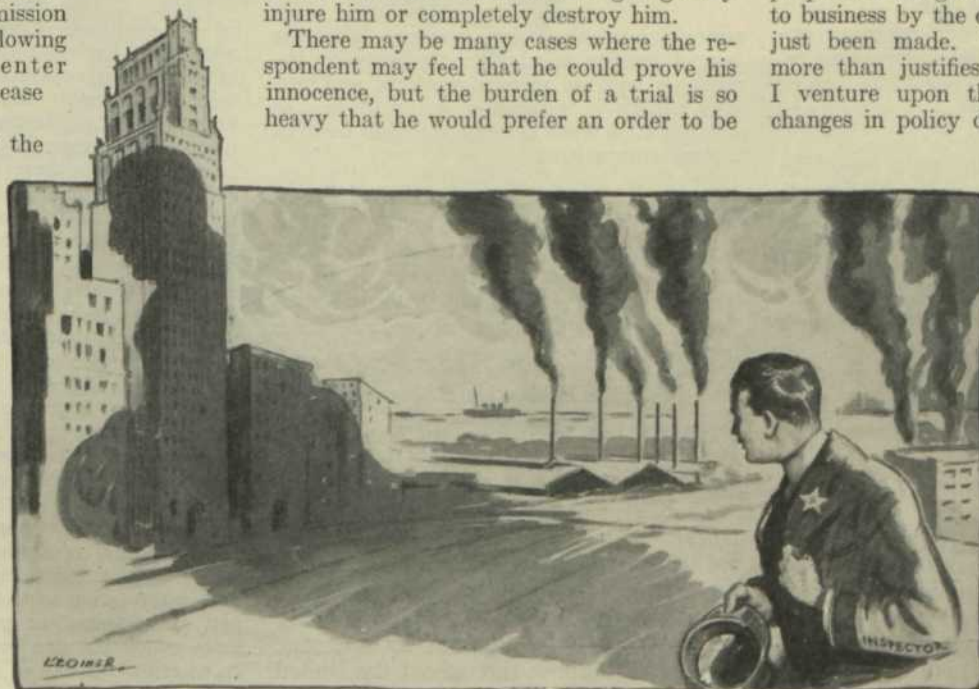
A Deployed Legal Staff

IT MAY not generally be known that the Commission continually has members of our legal staff taking evidence in different parts of the United States. It is, of course, often necessary to do this, and it is to the credit of the legal staff that they should desire to make these trips. But by no stretch of the imagination can I find justification for sending members of the legal force throughout the country to take evidence in cases where the facts are not contested but admitted. As the members of the bar know, the decisions are to the effect that evidence cannot be introduced either to prove or disprove a fact that is admitted.

When I spoke before the United States Chamber of Commerce two years ago, soon after I went upon the Commission, I prophesied the great value that would come to business by the change in rules that had just been made. The record after trial more than justifies this prophecy, and so I venture upon this prophecy, that the changes in policy described herein will result in one of the

greatest benefits to business that has ever come from the action of any governmental agency.

For this change great credit is due Judge McCulloch, a member of the minority. He seconded every motion that I made with reference to the matter and helped in every way to bring about the change. Business of the country is under lasting obligation to him.



The Elimination of Trade Abuses

By EDWIN B. PARKER

Chairman of the Board of Directors, Chamber of Commerce of the United States

THE ONE certain way in which business can escape the burden of government control and regulation is by self-regulation. This principle forms one of the most important planks in the platform upon which the United States Chamber of Commerce stands.

The practical application of this principle is bringing us into "The New Era of Business," which was discussed at the Chamber's last Annual Meeting—the era of fair play, of better understanding, not alone between business and the public, but among the various branches of an industry.

It is sometimes easier to lay down a principle than it is to put that principle into practice; but one way—and that a way open to all industries—to put into practice this principle of self-regulation, is the organization of a trade relations committee representative of the manufacturers, wholesalers and retailers.

Search Out Abuses

THERE should be such a committee for each trade. Rather than waiting until an acute situation develops forcing attention, each industry should take time by the forelock and organize a committee to search out abuses and to prevent them from becoming trade customs.

I am convinced that this plan is sound in theory and practical in application. It is for the leaders of business, not for the lawyers, nor for the politicians, to make the practical application. Business chafes under those restraints of governmental regulation which impose limitations on the exercise of individual initiative.

Business has both the right and the power to eliminate numerous wasteful trade practices which have crept into it and become trade customs, and to build up for itself a law merchant for its self-government. Business must have not only the vision to see that right, but the strength to exercise that power.

In its practical application, through elimination of waste, this plan will promote rather than restrict competition. The United States Chamber of Commerce is irrevocably committed to free and wholesome competition in business. It as definitely condemns destructive and unfair competition, competition tinctured with bad faith, deception, fraud or oppression. Competition of the latter class is wasteful and must be eliminated by business through self-regulation, which is both lawful and laudable. Here is an excerpt from the

unanimous opinion of the Supreme Court of the United States in *Chicago Board of Trade vs. United States*, 246 U. S.:

Every agreement concerning trade, every regulation of trade, restrains. To bind, to

principles of Business Conduct and has been active in their application.

Three of these Principles of Business Conduct, namely (1) the elimination of waste, (2) cooperative effort in eliminating trade abuses, and (3) the substitution of self-regulation and self-restraint for governmental regulation and restraint through statute law, can be put into practice through trade relations committees.

At the time these principles were adopted the extent to which business might lawfully participate in trade associations for seeking out knowledge and assembling and disseminating information was involved in much doubt.

Use of Associations

BUT since then the Supreme Court of the United States, in the *Maple Flooring* case, has gone far toward removing that doubt. Note its language:

It is the consensus of opinion of economists and of many of the most important agencies of government that the public interest is served by the gathering and dissemination, in the widest possible manner, of information with respect to the production and distribution, cost and prices in actual sales, of market commodities, because the making available of such information tends to stabilize trade and industry, to produce fairer price levels, and to avoid the waste which inevitably attends the unintelligent conduct of economic enterprise. Free competition means a free and open market among both buyers and sellers for the sale and distribution

of commodities. Competition does not become less free merely because the conduct of commercial operations becomes more intelligent through the free distribution of knowledge of all the essential factors entering into the commercial transaction. General knowledge that there is an accumulation of surplus of any market commodity would undoubtedly tend to diminish production; but the dissemination of that information cannot, in itself, be said to be restraint upon commerce in any legal sense. The manufacturer is free to produce, but prudence and business foresight based on that knowledge influence free choice in favor of more limited production. Restraint upon free competition begins when improper use is made of that information through any concerted action which operates to restrain the freedom of action of those who buy and sell.

We decide only that trade associations or combinations of persons or corporations which openly and fairly gather and disseminate information as to the cost of their product, the volume of production, the actual price which the product has brought in past transactions, stocks of merchandise on hand,

(Continued on page 80)

"Yes," Says The Federal Trade Commission

By W. E. HUMPHREY

Federal Trade Commissioner

AS THE Commissioner who moved the establishment of the Division of Trade Conferences, I most heartily commend the attitude of Edwin B. Parker.

It will be of great benefit to business. Common counsel and mutual understanding and trust among business men will be the beginning of the end of unfair and unlawful practices.

The plan suggested by Judge Parker will bring a better understanding between business and the Federal Trade Commission. Business will have a splendid opportunity to correct existing evils, voluntarily, intelligently, effectively, without agitation, without crimination or recrimination, without publicity in its sinister sense, without the expense and injury necessarily incident to compulsory adverse action by the Commission.

The statute directs the Commission to prevent the use of unfair methods. Good conscience and good judgment require business to cooperate with the Commission. With intelligent and sympathetic cooperation, the task will be made shorter and easier, to the benefit of all.

restrain, is of their very essence. The true test of legality is whether the restraint imposed is such as merely regulates and perhaps thereby promotes competition, or whether it is such as may suppress or even destroy competition.

Some three years ago the United States Chamber, at its Annual Meeting held at Cleveland, adopted as "practical guides for the conduct of business as a whole and for each individual enterprise" fifteen Principles of Business Conduct. These principles are solely economic in their scope.

Measure Ethics by Economics

IT MAY well be that in the last analysis what is economically sound is ethically sound, and what is ethically unsound is economically unsound, but there is less danger in business being misunderstood and its motives subjected to suspicion and distrust if in the formulation of principles of conduct the quality of an act is frankly measured not by ethical but by economic standards. Business throughout the United States in good faith adopted those Prin-

BABBITT THROUGH THE AGES



VIII—"WESTWARD HO!"

HOLDFAST Jellicoe Babbitt with a cargo from the new world falls in with a company of Gentlemen Adventurers engaged in purging the world of commercialism. Mr. Babbitt having seen his good ship go up in smoke, is now about to meet the sharks. Although opposed in principle to government regulation, he wishes, at the moment, that there were more of it on the high seas.

NATION'S BUSINESS

Published by the Chamber of Commerce of the United States

MERLE THORPE, Editor

Washington

July, 1927



Cut the Corporation Tax!

FIRST and foremost on the tax program which American business asks is a reduction in the corporation income tax from 13½ to not more than 10 per cent.

There is no reason to believe that a lowering of the tax would lead to a shortage in the Government's income.

A 3½ per cent reduction in the corporation income tax would mean a loss of only \$325,000,000 and that, in the face of a surplus this year of \$600,000,000, seems to offer no cause for worry.

Moreover, the present tax bears unevenly on the corporation. It is not wise that the Government should rely on one source for so large a part of revenue.

The 13½ per cent federal tax upon corporate income is so high as to be inequitable in comparison with the rates upon individuals. As Felix McWhirter of the National Chamber's Committee on Taxation put it:

In principle this excessive rate of taxation upon production is unsound and in practice it is inequitable. The small stockholder, a portion of whose income comes from corporation dividends, pays at the rate of 13½ per cent. As personal income in a large percentage of cases he would pay on it only 1½ per cent.

Business has rather patiently borne this burden, which has been an impediment to progress and economic development, awaiting the adjustments necessitated as an aftermath of war. Successive surpluses make it evident that the time has come when in the interest of business and of the development of the country as a whole the load shouldered by the corporations should be lightened.

Reduce the corporation tax first and above all. Then repeal the Federal estate tax, leaving this source of revenue to the states. Next readjust the war excise taxes which have outlived the emergency which brought them into being.

There's the tax program of American business.

A Healthy Tendency

SIGNIFICANT, perhaps, of a change in railroad financing is the announcement that the Baltimore & Ohio Railroad will issue \$68,000,000 in stock, part of it to replace \$35,000,000 of bonds.

The railroads have felt that for the last half dozen years their financing was top-heavy with bond issues as against sales of stock. As NATION'S BUSINESS said some months ago:

"What the railroads want is more partners and not quite so many mortgage holders."

Perhaps the change has come.

The Shipping Board Lags Behind

IN ITS Principles of Business Conduct, the United States Chamber of Commerce says:

"Controversies will, where possible, be adjusted by voluntary agreement or impartial arbitration."

That's the view of business, and more and more business is putting that principle into practice. But the Government—at least that part of the Government represented by the Shipping Board—frowns on arbitration.

In July, 1926, certain grain exporters of Galveston contracted with an agent of the Shipping Board to transport a

shipload of grain to Europe. Trouble developed, and the shippers suggested arbitration under the rules of the Cotton Exchange and in accordance with the practice of the port. The agent assented, but the Shipping Board would have none of it. The Commissioner who received the suggestion thought it "remarkable, in that the law officers of the Government, including the Comptroller General of the United States, have held that government agencies are not permitted to submit disputes between private individuals and those agencies to arbitration, but insist that disputes of this character should be tried by the courts."

The "remarkable" feature of this answer to a request for arbitration lies in the fact that the Board's spokesman called attention to the Suits in Admiralty Act of 1920, which specifically authorizes the Shipping Board "to arbitrate, compromise or settle any claim" of the character of the one then under consideration.

Request was made for a formal hearing of the matter before the full Board. This was granted, but meanwhile the question at issue grew beyond its purely local aspect. At the hearing, therefore, besides Galveston and Houston, national interests were represented. The National Chamber and the Merchants' Association of New York were among the organizations which watched the proceedings. The Board approved the refusal to arbitrate the Galveston claim and refused to agree to future arbitration, saying that "the Board is not fundamentally opposed to the policy of arbitration, but cannot agree in advance to the compulsory arbitration of questions as they may arise in the future."

In other words, arbitration may be all right in principle, but it is not to be practiced by the Shipping Board.

The Second Stage of Flood Relief

WHEN a man meets with a severe accident, he first wants his wound cleaned and dressed, then he wants it healed and then he wants, if possible, that the cause of it be removed.

The United States has met an economic accident. The Mississippi floods have cut deeply into the country's affairs.

The Red Cross is giving the first aid; it is dressing the wound. It is feeding and clothing those whose want is great.

The National Chamber is doing its share in the second stage of treatment through its work in creating the Flood Credits Corporation.

The third stage, that of preventing future floods, is yet to be entered on. For generations we have struggled with the task, and for generations the waters have swept aside the best efforts of man. Now a concerted effort, an effort backed by the whole energy of the nation and calling on the best engineering skill, must be made.

Big Business Not Bad Business

"THERE is no farm implement trust."

The Supreme Court of the United States says so.

The ruling of the court of last resort came at the conclusion of 15 years litigation on the part of the Government to restore competitive conditions in the agricultural implement industry.

The decision makes it plain that because a business is big is not prima facie evidence that it is in any way a menace to the free flow of competition.

The Government's battle against the International started in 1912 with an allegation of a violation of the Sherman Act. In 1914 a consent decree was entered and in 1918 this decree was again interpreted and modified. And yet again in 1923 the Government returned to the charge "to

obtain further relief to that granted by an earlier decree."

The business methods of the Harvester Company get a clean bill of health from the Supreme Court decision—a decision memorable in many respects but in none more than this—that there was no dissent.

The court's decision in this case seems to establish definitely a doctrine that business is not to be judged merely by its size, but by its conduct.

Economy in Italy

ONE OF the most interesting manuscripts which has come to our desk is that recently received from a writer in Italy who is evidently zealous in his practice of the Mussolini theory of economy.

The manuscript was typed on the back of a bank statement and a circular letter advertising a fair of Fiume, pasted together. The envelope was one from a Detroit firm, ingeniously turned inside out. Such thrift must cause stringent times among the stationers in Italy.

As we addressed an envelope in reply we wondered where it would be sent after having completed this journey.

A Record of Which to Be Proud

WITH the second quarterly dividend, this year, the Pennsylvania Railroad since its organization 81 years ago has paid \$831,833,735 in dividends to its shareholders. Impressive as that sum is, it is by no means the most remarkable feature of the achievement, for not in eighty years has the Pennsylvania failed to pay a dividend. This is a record unsurpassed we believe by any other railway system. Indeed if it is not the largest total yield of dividends that any corporation or business enterprise has ever produced for its shareholders.

Beginning eighty years ago with \$7,500,000 capital and a line serving a relatively small territory it has developed into a vast arterial transportation system with assets of more than \$2,500,000,000 and more than two and one-third billions of actual physical property. The assets of the system are greater by nearly a billion dollars than the total of securities held against the system—indeed a comfortable surplus and margin of safety.

An interesting chapter, this, in the absorbing romance of American business

Education and Advertising

"I KNOW nothing of value which an advertising man can be taught in college. I know many things taught there which he will need to unlearn before he can steer any practical course." So writes Claude C. Hopkins, who, according to *Advertising and Selling*, is "America's most highly paid copy writer." But is the purpose of college to teach men to write copy? Should college be condemned because it has not yet perfected its processes? With an in-

creasing number of schools and colleges teaching business, journalism, real estate selling, and household engineering, perhaps we are destined to be a race of specialists without interests other than our specialties. Our days may be spent like Mr. Hopkins' who "had no working hours" and seldom left his office before 12 midnight and found Sundays were his most productive days.

But he adds: "I would not advise a boy of mine to do so. Life holds so many other things more important than success that work in moderation probably brings more joy. But the man who works twice as long as his fellows is bound to go twice as far."

A Business That Shouldn't Pick Up

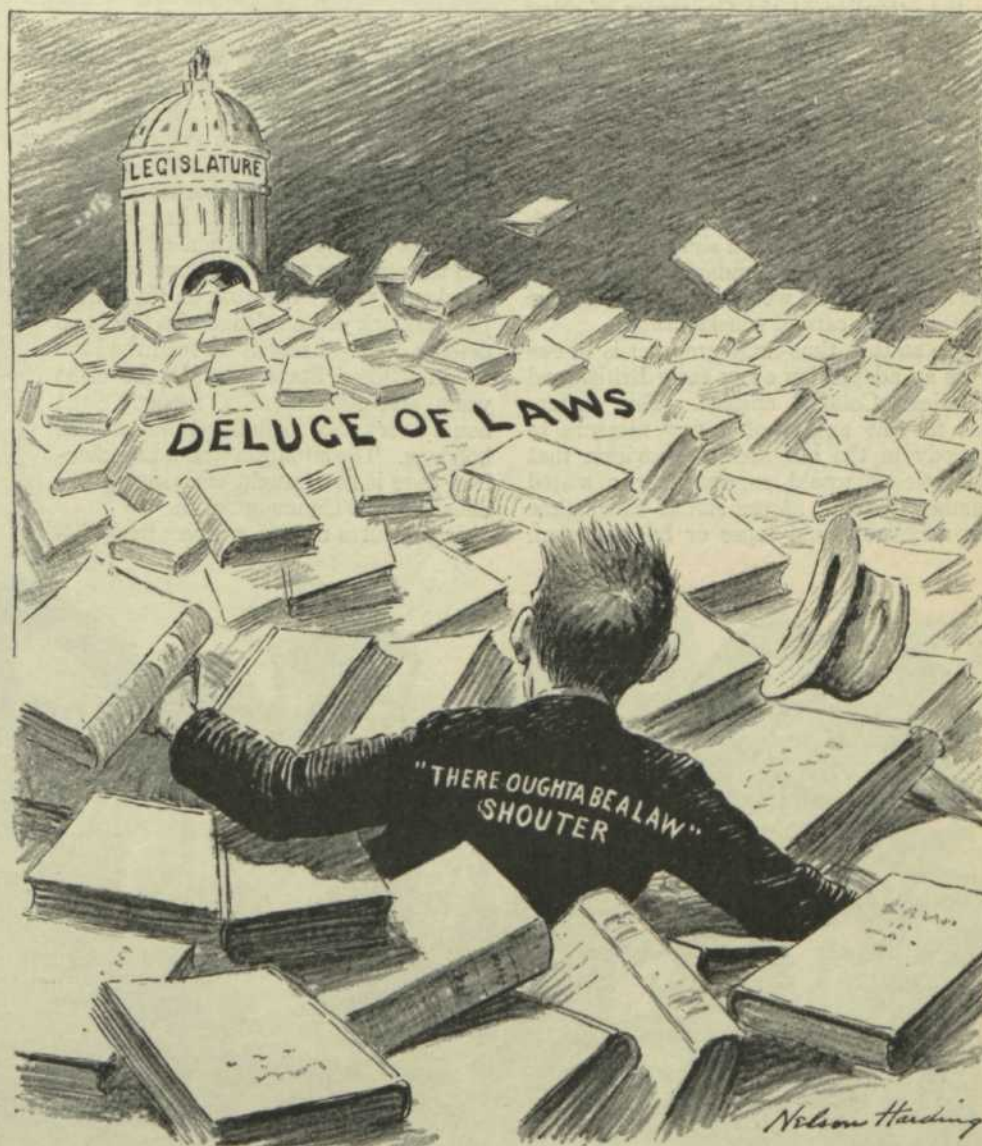
A YOUNGER member of the staff of this magazine went back to a college reunion. He was sitting on the college steps, swapping lies with an old friend when a young man walked past reading NATION'S BUSINESS. The chance to point a moral was too good to miss.

"Look at the man reading the important literature," said the editor. "He'll get ahead in the world. His business will pick up now that he reads NATION'S BUSINESS."

"I hope not," said the friend.

"What do you mean, you hope not?" asked the editor.

"Well, he's an undertaker."



"THE MAN WHO OPENED THE HYDRANT"

This is the first of a series of cartoons drawn for NATION'S BUSINESS by Nelson Harding

Let's Put a Time Limit on Laws!

By A. HARRY MOORE

Governor of the State of New Jersey

Cartoon by Cesare

THE PROPOSAL that each law-making body apply an automatic time limit to each legislative statute has been received more favorably than its advocates had expected. Perhaps this is due to the fact that it was not clothed in catchy phrases and offered as a panacea. Instead, it was suggested almost without argument and with an explanation so limited as to place the burden of analysis upon those who received it. Nevertheless, the response has given emphatic evidence that the proposal should and will receive earnest consideration.

A New Legislative Idea

I DO not wish to imply that it has won the unqualified endorsement of a large number of people. That would be too much to expect of a new idea; and I believe it is safe to refer to this proposal as new. So far as I know, it was advanced for the first time in 1925 by Glen B. Winship of Westfield, New Jersey, and at his request was brought to my attention—and also I believe to the attention of the Governors of other states—by Jay B. R. Smith, editor-in-chief of law publications of the United States Corporation Company of New York. In January, 1926, I mentioned the subject in my inaugural address to the New Jersey Legislature, although I did not at that time recommend immediate action. No sane man would invite hasty tampering with law-making customs, and since the Winship Plan would involve fundamental and far-reaching changes I would be the last to urge anything but careful consideration.

The statute-time-limit proposal is in one sense an adaptation of an early British and American Colonial custom. This custom was for the author of a new measure to embody in the bill itself a provision that enforcement would continue for a stated number of years, at the end of which time the measure would lapse or be reenacted.

An essential weakness of this custom was lack of uniformity and absence of suasion to assure its continuous application. Comparatively few legislators would favor placing a time limit on their own proposals. It requires qualities of statesmanship to subject our pet measures to this acid test. Accordingly, the custom gradually died and was forgotten. This weakness is avoided in the new plan.

Stripped of detail, the proposal is that (with a few possible exceptions) every legislative statute after remaining in force twenty-five years shall lapse unless reenacted. It is of relatively small moment whether the time limit be twenty-five or some other number of years. The point to be stressed is that some definite period be fixed.

A Quarter Century Trial

STATED in another way, the proposal means that after a measure has been tried twenty-five years, it should cease to be law unless it has won sufficient respect to be reaffirmed as the will of the people.

That something of this sort is urgently required appears obvious when we consider the vast accumulation of statutes and the startling number of new ones enacted each year. We work on the principle that lack of knowledge of a law is no defense, and yet merely to read the laws of the United States would take eight years and four months, reading eight hours every day including Sundays and holidays. The situation would be ridiculous were it not fraught with such grave danger to the Commonwealth.

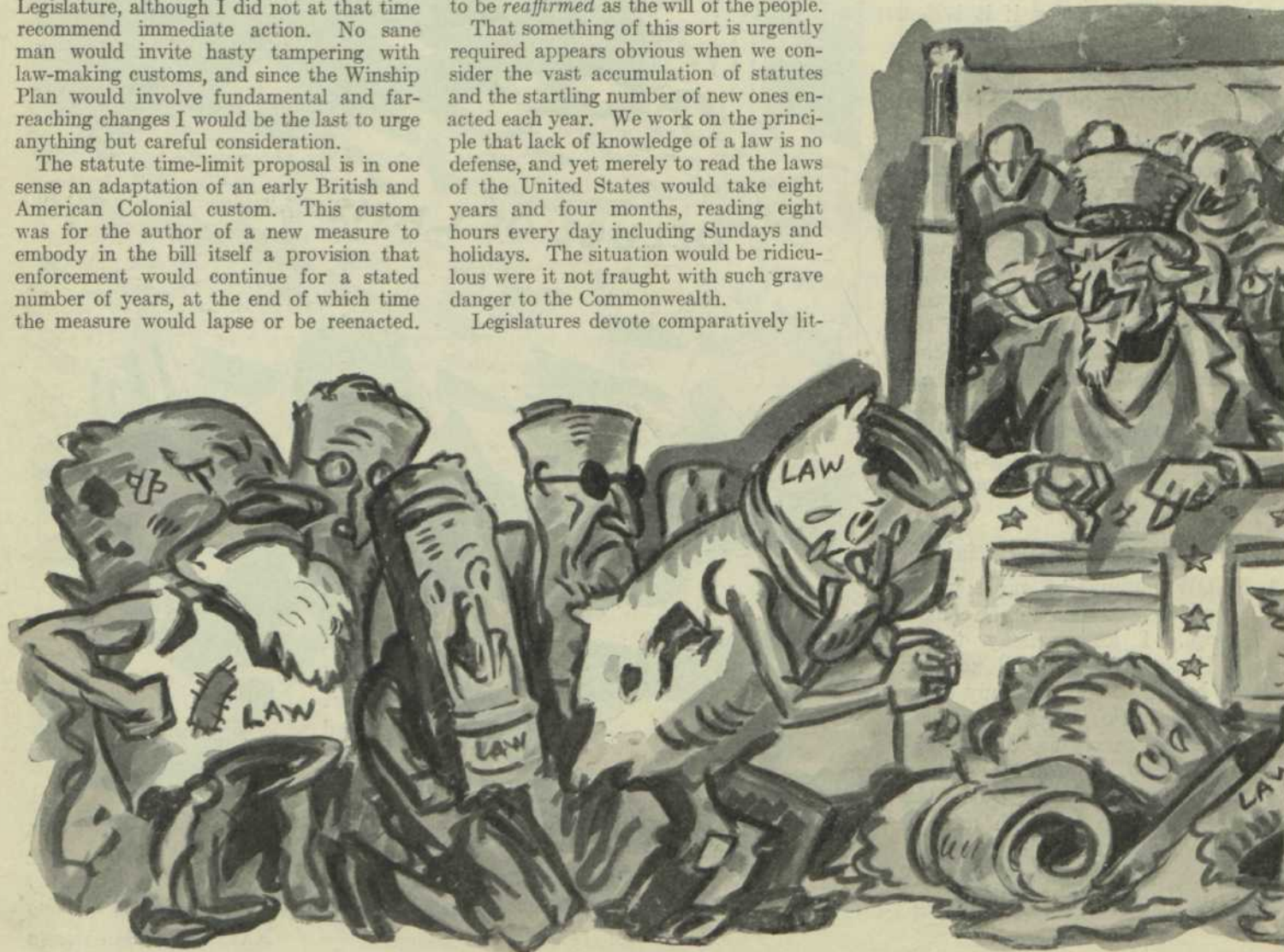
Legislatures devote comparatively lit-

tle time to the study of the existing statutes with a view to their improvement. The chief aim is to enact new measures, most of which are regulatory in purpose. If these new measures require the repeal or modification of statutes previously enacted, the proper steps are usually taken; yet in the main it is true that, once a statute receives the requisite number of votes and the signature of the governor, it is assumed to be perfect enough to remain on the books indefinitely without review. Yet everyone knows there are statutes theoretically in force that have been entirely outgrown and could not be applied without violating public sentiment. To tolerate such conditions is to encourage disrespect of all law.

No Confusion Involved

IT HAS been argued that the time limit proposal would create dangerous confusion. That is not necessarily true. I venture to say that no legislature will ever adopt the principle without first taking steps to prevent such confusion. And it will be comparatively easy to take such steps.

The chief difficulty, of course, is in applying the principle to existing statutes. If all statutes that have been in force twenty-



ty-five or more years were immediately repealed, without chance for study and re-enactment of needed measures the results might be little short of disastrous. Most of the criticism of the proposal has been due to the fear that this was the desire of its advocates.

A Bill Was Introduced

IT IS true that a measure calling for such repeal was introduced in the New Jersey Legislature at the recent session, but there was no effort to bring it up for consideration. Its purpose was merely to attract attention to the proposal in order to pave the way for presentation of a comprehensive measure in the 1927 session.

No one will deny that a large proportion of existing law—just what proportion is a matter of varying opinion—is essential to the maintenance of government and the protection of private rights. It is equally true that many of the statutes have outlived their usefulness and that most of the others could be restated in more concise form. It is probable that a complete revision could reduce the bulk of our statutes 75 per cent without omitting any provision of real importance.

Partial revisions have been made from time to time, but the work usually has been hampered by too great zeal to perpetuate the laws of former generations and

by slavish regard for the cumbersome and antiquated verbiage which legal precedent has imposed.

These revisions have served a useful purpose, but at best they are palliatives. They give temporary relief without modifying the faults of the system. They do not result in the adoption of scientific methods to keep our legislative house in order.

Society is constantly growing, and the body of our laws should also grow. But society does not merely add to its customs; it discards and modifies. The body of our laws should be kept constantly in harmony with the change and growth of society; instead it is stagnant, growing only by accretion and becoming less and less a true expression of the will of the people. This unwholesome condition is reflected in the hampering administration of justice and a gradually lessening confidence in the machinery of government.

A Speeding-Up of Justice

A THOROUGH revision of the statutes, undertaken with a view to adoption of the time-limit principle, would go far toward correcting this condition. The fact would become immediately obvious, if each enactment must come up for periodical review, that the statutes as a whole must be kept within reasonable bounds as to bulk and that they must be systematically classified. It would become necessary to study each enactment in its relation to the whole body of law, instead of as a separate statute to be debated, passed and forgotten. Legislators would soon discover that political preferment could be gained in other ways than by introducing new bills, adding unnecessarily to the bulk of legislative provisions. A premium would be placed upon brevity and conciseness and upon a mastery of legislative principles which today are so frequently ignored.

A revision of this character would be a task of herculean proportions. The

longer it is delayed the more difficult it will become, because each decade of legislative activity adds complexity to our laws. But merely because the task will be difficult is not an argument against attempting it. On the contrary, it is a powerful argument against further delay. If our laws were simple, orderly and easily understood, there would be little occasion for concern.

A Periodical Revision Plan

MOST people will admit that the statutes should be revised, yet on the part of many there is a natural hesitation when confronted with the proposal that such revision should be periodical. Essentially, that is what the Winship Plan would provide—a periodical revision.

At no time would there be in force a single statute which had not been reviewed within a generation, and yet after the initial revision no legislature would be confronted with the task of reviewing the entire list of statutes. Once these statutes were condensed to a reasonable bulk and properly classified, the legislators and the public would find little difficulty in knowing at any time what statutes were about to come up for review.

It is argued that such recurring revision would cause uncertainty in the public mind. The fact is that uncertainty already exists to an unwholesome degree, because of the very complexity of the laws; and it should not be forgotten in this connection that the adoption of the time-limit principle would not confer additional powers upon the legislators. Under present conditions, any statute is subject to repeal or change at any time. No legislative program can assure the status quo, nor would that be desirable.

Another argument is that important statutes might be permitted to lapse through legislative neglect. This would probably be true if the time-limit principle were applied without a preliminary revision and rearrangement of the statutes. Granted such revision and rearrangement, it is



If all laws were periodically examined and the outworn and unfit killed, the remaining body would be a healthier lot

scarcely conceivable that any important lapse could occur. Three factors would work for safety in this regard. First, newspapers would have ready access to the list of statutes scheduled for review in any year. Second, the rivalry of individual legislators and of political parties would assure a close scanning of these lists. Third, individuals and corporations most directly affected by a statute or group of statutes would have the proper, yet powerful, incentive of self-interest impelling them to watch these lists and bring any threatened statute to the attention of the legislature.

In order to apply the time-limit principle to all legislation, past and future, would, of course, require a constitutional amendment, since the legislature cannot curtail the powers of succeeding legislatures. This is fully realized by the advocates of the measure, but there seems to be no immediate desire to urge the adoption of such an amendment. The time-limit

principle, even if embodied at once in the constitution of a state, would not apply to new legislation except after the lapse of twenty-five years. Its immediate application, in other words, would be confined to statutes now on the books.

A constitutional amendment, however, is not necessary in order to apply the principle to all statutes heretofore enacted. This much can be done by any legislature by the adoption of a repealing act, and such an act would accomplish as much temporarily as a constitutional amendment.

Attention to Vital Question

THE principle would thus be put to a practical test, and, if the results proved as beneficial as its advocates expect, there would be little difficulty in obtaining the necessary votes to embody it in the constitution. Whether it came entirely up to expectations or not, its adoption would serve to focus public attention upon the

urgent need of more scientific legislative methods. Popular government is dear to the hearts of all Americans. Nevertheless, popular government cannot survive unless its form and customs can be kept abreast of the times. The problems now confronting the American nation are far more complex than those so ably solved by our forefathers. The methods they adopted must be modified as new conditions arise.

Our forefathers heard little of the "technicalities of the law"; today the phrase is a commonplace. The problems which it brings to mind are far more serious than most of us care to contemplate. These problems will not solve themselves, and the sooner they are met the better. I do not regard the time-limit proposal as a cure-all, but I am firmly convinced that it points a way toward improvement in basic particulars and that its adoption would at least tend to correct many of our present-day evils at the source.

Old Spain Extends a Welcome

By OLIVER McKEE, JR.

THE SIXTY-NINTH CONGRESS has authorized an appropriation of \$700,000, to cover the official participation of the United States Government in the Ibero-American Exposition, of art, commerce and industry which will open in Seville on October 12, 1928, and will remain open until the end of June, 1929.

The people of Seville, and the Spanish Government have both contributed millions of dollars, and Senor Cruz Conde has been appointed Royal Spanish Commissioner. The exposition will be the biggest thing in the history of this ancient Spanish city since Christopher Columbus discussed there with Ferdinand and Isabella the plans for his epoch-making voyage of discovery to the west. Seville was one of the favorite residence cities of the Spanish sovereigns.

The name "Ibero-American Exposition" instead of "Hispano-American Exposition," was adopted in 1922, in order that Portugal and Brazil might be included. Invitations were extended through the regular diplomatic channels to the United States and all of the Latin-American Republics.

Most of these countries have accepted, while several countries are making plans for erecting at Seville buildings to house their national exhibits. Argentina has already begun its building, while Mexico, Peru and Portugal have chosen sites for theirs. The

United States will have its own building, which will be so constructed that it will serve as our consulate after the exposition itself has closed. To take charge of the representation of the United States, President Coolidge has appointed a special commission.

The Commissioner General is ex-Governor Thomas E. Campbell of Arizona, and associated with him are Miss Agnes Repplier of Philadelphia, the distinguished essayist; Mrs. Helen Hall Upham of Chicago, wife of the former Treasurer of the Republican National Committee; Judge Roderick N. Matson of Cheyenne, Wyoming; Hon. John F. O'Brien, former Secretary of State of New York State; and George T. Cameron, editor of the *San Francisco Chronicle*.

The exposition is to be confined to the products of the two countries in the Iberian Peninsula, Spain and Portugal, and to those American nations which were first discovered or settled by the navigators of Spain and Portugal. None of the other European countries have been invited to participate. Several commissions from South America have visited Seville, to prepare the way for exhibits of their respective countries.

In order to explain the purpose of the exposition, a group of 25 members of the Athenaeum of Seville, many of them authors and artists, came to the United States early in February. Their stay in this country was brief, but they remained here long enough to give lectures and displays of paintings and motion pictures in some of the largest American cities.

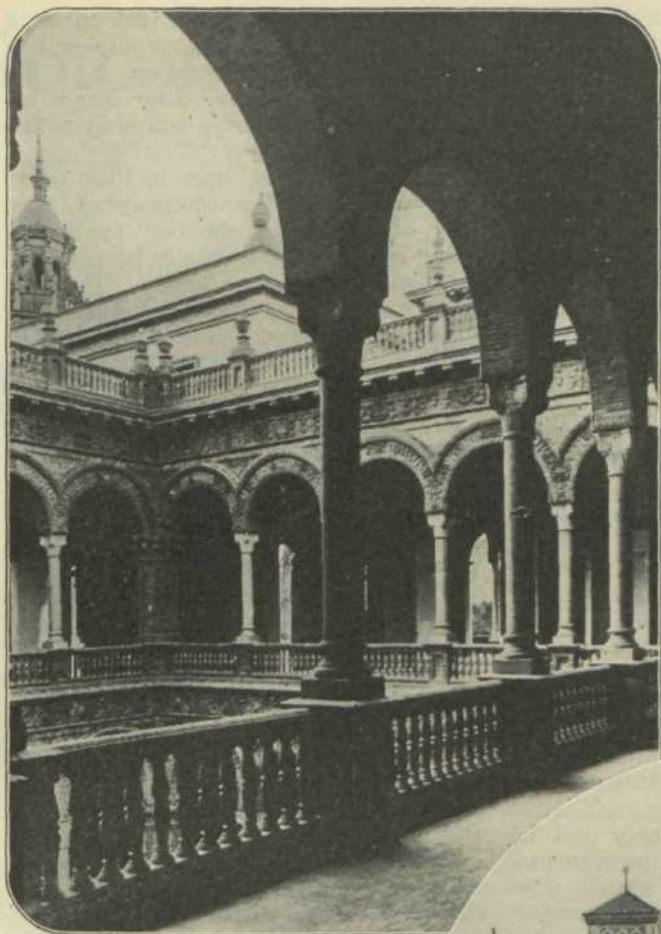
It was in 1910 that this exposition was

first planned. The dirt began to fly in 1913, and some of the exhibit buildings of the Spanish Government have already been completed. The World War, however, made it impossible to carry out the original plans, with the result that the opening date was postponed several times. These postponements cannot all be chalked on the debit side of the ledger, for every time the date of the opening was postponed, the scope of the exposition was enlarged.

Now the Seville



In the gardens of the Ibero-American Exposition grounds in Seville



Exposition promises to rank as one of the greatest ever held, in either the Old or the New World. Nor has this been the only advantage. The various changes in the date have made it possible for the Spanish authorities to bring their exhibit buildings to an advanced state of completion. Many fine buildings have already been constructed, of brick, stone, and tile in Andalusian style. The exposition embodies the best of Spanish and Moorish architecture and decorative arts, put in a setting of floral beauty that has seldom, if ever, characterized expositions elsewhere. The grounds acquired cover 2,400 acres situated on the outskirts of Seville, one end being three-quarters of a mile from the center of the city, and the farthest limit three miles distant.

A Beautiful Park Site

THE CITY PARK included in the exposition area is one of the most beautiful of its kind in Europe, and the semitropical climate of Seville lends itself easily to horticultural display. This aspect of the exposition will make it somewhat similar to the San Diego Exposition of 1915-1916. One difference may be noted, and that is that the construction of the exposition buildings at Seville will be more permanent, and that a bolder coloring and a more lavish treatment will characterize their decorative features.

The Spanish authorities plan to erect an historical building with exhibits dealing especially with Spanish discoveries and explorations in North and South America.

The largest building will be the Spanish Pavilion, or Plaza de Espana. This is a huge structure, built in a half circle with the central court six hundred feet across. It will have 49 divisions corresponding to the 49 provinces of Spain, and each division will house the exhibits of its particular province. This building is now nearly completed.

The Plaza de America has three finished buildings. These three are Fine Arts, Ancient Arts and the Royal Pavilion. Until the formal opening of the Exposition these buildings will be used for conventions and other public purposes. Near these three the visitor will find an exhibit of

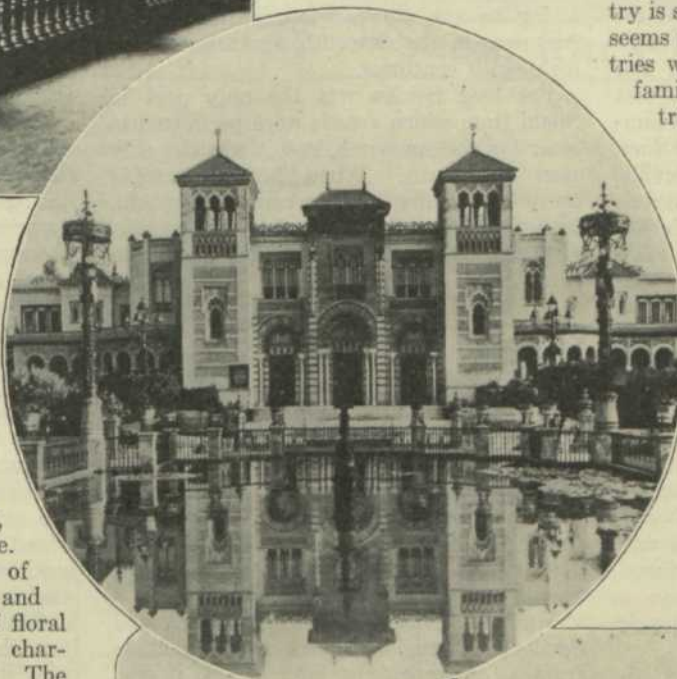
the customs, music and dancing of the different sections of Spain.

The remaining parts of the grounds will be assigned to commercial and industrial exhibits, to livestock, and the national pavilions of the score or more countries which are expected to participate. The Exposition authorities will put all foreign exhibits in the buildings of their respective countries, with the exception of automobile displays and modern art works, each of which will be grouped together in a single building.

A Chance for Latin Business

THE EXPOSITION will give a splendid opportunity to advertise American products, and it is easy to see why. Seville will be visited by hundreds, if not thousands, of business men from Spain, Portugal and Latin-America. One of the handicaps under which the American exporter must work in this field is the general ignorance of the United States which prevails in this region. The United States, declare officials of the American government, does not get the share of Spanish trade which we ought to get. Southern Spain feels that this country is so remote that the buyer instinctively seems to prefer the products of those countries which are nearer, and therefore more familiar. Exports from the Seville district to the United States are about \$8,000,000 a year, but the imports do not amount to more than a

third of this. Elsewhere in Spain the balance is much more favorable to the United States, so in Andalusia, of which Seville is the principal city, there is much missionary work to be done. From Seville we obtain nearly all of our cured green olives, and indirectly a good deal of our olive



Above: A typical patio, Plaza de Espana. Center: The Palace of Ancient Arts, with its reflecting pool. Below: A bridge approaching the Plaza de Espana



oil, which is largely shipped to Italy, and then transhipped to the United States. In 1925 we exported to Spain goods of the value of \$79,202,892, and bought from Spain goods valued at \$32,797,730. Both of these totals, it is believed, could be largely increased, and the Seville exposition, it is hoped, will provide the dynamic impulse.

Spain likes Americans, and her people cherish no antagonism toward us. There is no prejudice against American business men, as shown by the fact that an American telephone company has secured the telephone concession for all Spain, including Seville. Spain today boasts four American automobiles to one of all the other countries combined. And notwithstanding the unfavorable factors of long distance, stiff competition, and lack of information about the United States and its products, only England and France exceed our yearly exports to Southern Spain.

Rich Historical Background

WITH a population of 250,000, Seville is the third or fourth largest city in Spain. It is situated on the Guadalquivir River 54 miles from the open sea. As far back as Phoenician times, foreign vessels have landed their cargoes at this city. For hundreds of years, it was the most important port on the Iberian Peninsula, but two hundred years ago Cadiz spurred to the fore, and out into the maritime trade of Seville.

Then, in the past fifty years, the development of the large ocean liners made the ascent to Seville up the winding Guadalquivir a tedious and a difficult matter. Seville has now overcome this handicap by the construction of the Alfonso XIII Canal, allowing the passage of steamships of 15,000 tons displacement.

A large and modern dock system adjoining the exposition grounds is nearing completion, and it will be ready to handle the heavy freight movement expected when the Exposition opens. Those who ought to know say these port works will have a booming effect on the international trade of this city. It already enjoys a strategic location as the nearest Atlantic port to the Straits of Gibraltar.

As the nearest European port to South America, and as the southern terminus of several Spanish railroads, Seville, its friends say, will soon become one of the great world trade ports, and among the ports of Spain, will become second only to Barcelona. American ships, it is expected, will be placed on this run, and if a direct service to New York is established, American products could be placed on the docks at Seville in fifteen days. And that would be good service.

Ancient Mining Region There

AGRICULTURE and mining predominate in the region tributary to Seville. The mines here have been worked since the days of Solomon, and the Rio Tinto has much to support its claim of being the most famous mine in Europe. Lead, silver, copper, zinc, iron and sulphur ores are some of the things mined hereabouts. Though the region about Seville is one of the most conservative parts of Spain, it has made much development during the past decade, and

now marches with the column of progress.

There is little local industry, so most of the manufactured products which Seville needs must be imported from abroad, or from the industrial area in northern Spain. For America there is a market to be developed for agricultural machinery, motor trucks, iron and steel, lumber, hardware, phosphates and other articles.

Seville has been well called the "pearl of Andalusia." It has many links with the Americas. Columbus sailed from Palos, a few miles from the mouth of the Guadalquivir, and in later voyages he sailed from, or returned to San Lucar, an outlying port of Seville. The city played a major part in the exploitation of the New World. The Spanish authorities gave Seville a monopoly of the trade of the New World, and into the city poured the treasures which the Spanish galleons brought from America. For two centuries it was the richest port in Spain.

In Seville Cathedral are supposed to lie the bones of Columbus. Here also is stored the library collected by his son, and not far off is the Archives de Indias, containing an enormous mass of documents relating to the Spanish occupation of the Americas in the sixteenth, seventeenth and eighteenth centuries.

For long Seville was the only port in Spain from which vessels were permitted to clear for the Americas, and it was the only port of return. When Magellan sailed away on the first voyage round the world, he sailed from Seville, and it was to this city that the survivors of this expedition returned.

A Fitting City Chosen

SEVILLE combines better perhaps than any other city of the union of Castilian and Spanish factors. The patio, the greatest architectural contribution of the Moors, reaches its best development in Seville. Wherever he goes, the visitor sees Moorish windows and doors, Moorish pillars, and the bright, colorful tilework in which Moorish artisans excelled. Under the Moors, Seville was a luxurious city.

Music, art and literature flourished, and Seville attracted scholars and scientists from all Europe. In later years, it was the home of the famous painters Velasquez and Murillo, and for a time Cervantes, author of "Don Quixote," enjoyed its hospitality. The older part of the city still bears the print of its Moorish past, and Seville's Alcazar is a worthy rival of the famous Alhambra of Granada.

Spain has always taken part in our expositions, and in 1893 the three Sevillian caravels used by Columbus in his first voyage were reproduced by Spain as part of the Spanish exhibit at the World's Fair in Chicago. They were successfully brought over the Atlantic, and until recently one of them, the flagship *Santa Maria* was on exhibition in the lagoon at Jackson Park, Chicago. Spain regards our acceptance of the invitation to participate in the Seville Exposition as a gracious recognition of our debt to Christopher Columbus.

The United States Commission will have charge of placing the exhibits of all the government bureaus and departments. It will also help commercial exhibitors in their

exhibits, but will exercise a veto power, if it does not believe a certain display is a worthy one. Needless to say it is not much concerned on this score. For it believes American industry will send to Seville its best.

The exposition will open in 1928, thirty years after the Spanish-American War. The event itself is the best proof that Spain and the United States have forgotten that they were ever at war. They will meet at Seville as friends, and as associates in that most characteristic activity of the modern world, international trade.

Competition that Kills

INCREASING efficiency of the modern economic world sometimes carries with it a ruthless sort of prosperity, it was pointed out recently in *The Annalist*.

"Keen competition on the part of the producers to meet new conditions has been developed, requiring abandonment of old and the capture of new markets in many cases, or else enforced retirement from business altogether. Two significant incidents recorded during recent months, involving great concerns whose names had become almost national traditions, illustrate this revolution.

"One was the abandonment of shipbuilding by the historic shipyards of William Cramp & Sons of Philadelphia, creators during the last century of many of the American navy's greatest battleships. Equipped as they were to do the heaviest naval construction, the curtailment of the naval program brought about by the national disarmament policy, together with continued depression in merchant shipbuilding, left them with insufficient markets for their great products; 5,000 workmen were affected by the retirement of this company from shipbuilding, many of them representing families that had worked for two or three generations for Cramps and owned established homes in the neighborhood of the yards. Although this event was not a business disaster, in the sense of a failure, nevertheless it was typical of how changes in the nation's policies may seriously undermine large, established business interests.

The Passing of an Old House

"THE other case presented an actual business failure largely due to a concern's inability to compete under the changed popular sentiment of recent years, for a profitable share of the public's spending power. This was the bankruptcy of Pain's Fireworks, known all over the country as the maker of pyrotechnics and the creator and exhibitor of spectacular displays, not only in connection with the Fourth of July but for other occasions. In this case the liabilities were estimated at three times the assets.

"The company began business about forty years ago and was prosperous until the agitation for a 'safe and sane' observance of the Fourth of July led to the adoption by many cities and towns of restrictions against the sale and use of fireworks, which finally stifled the business of the Pain Company."

Golcondas in the Scrap Heap

By CARLTON P. FULLER

Cartoons by Charles Dunn



"JUNK" IS a rough-sounding word; "scrap" isn't much better, but scrap plays a tremendous part in America—a part measured by hundreds of millions—and like many another, as scrap grows rich, it takes a new name.

We call him "junk" when he's dressed in rags; give junk a decent pair of overalls and a regular job and he is "scrap," and when scrap becomes a millionaire he's known as "reclaimed material" or "secondary production."

But call scrap what you will, there are millions in the scrap heap.

Industry today employs reclaimed materials ("scrap") as a vast second-line defense, the first line being original ore deposits or other raw material sources, and the third line promising to be synthetic materials. The same intelligence which taught American business men to utilize by-products is training them to develop the use of secondary materials.

The Important Junk Man

EVERYONE knows the junk man, but few realize the extent of the industry he represents. In fact, there are no inclusive figures on this ubiquitous personage; yet it has been estimated by steel scrap experts that there are 150,000 of these small collectors. The familiar cry of "Rags!" may be interpreted as industry's far-flung challenge to waste, if the activities back of it are considered: Rags to be made into fine writing paper; bones to be ground for fertilizer; rope to surrender its hemp fibers for insulating paper in lead-covered cable;

paper to return in its cycle to new paper, and dozens of others.

But there is more to the secondary material industry than the junk man. There are two major sources of scrap in all industries: actual reclamation from previous use, as typified by the junk man, and manu-

facturing or refining scrap. The second source comprises the dross and other waste in refining, the waste ends from steel mills, etc.—material which has never been in actual use.

Possibly the overall significance of scrap can best be appreciated by a consideration of three great divisions: iron and steel,

non-ferrous metals, rubber.

Let us look first at the non-ferrous metals, and especially copper, the king-pin of them all. As a group, they are noted for their resistance to corrosion, and several of them may be re-used indefinitely with almost no deterioration in quality (therein differing from rubber and textiles). Zinc, tin and lead are widely used to protect steel from oxidation, while copper's proudest boast is longevity of life. Because this group of metals is "exclusive," refusing to associate with oxygen to cause rust, and because these metals persist in retaining these qualities through endless vicissitudes, the amount of secondary material avail-

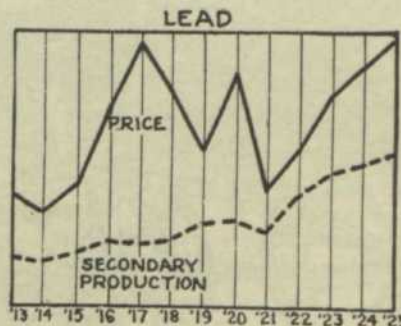
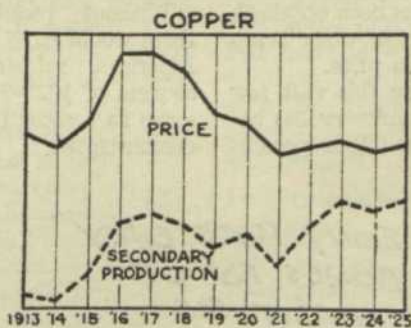
able is constantly growing. Whenever a well-built old house is torn down, copper roofing, lead or brass piping can be thrown back into the furnace and cast out again for use in a modern structure. There is in effect an endless chain, if not quite perpetual motion.

It is instructive to test some of the ideas about copper output in the light of this constant re-use of the metal. During the post-war period of heavy mine production at low prices, some copper shareholders have protested vigorously that sacred national assets were being despoiled, assets which, unlike timber and crops, could never be replaced. Unfortunately for their case, they overlooked another dissimilarity from timber and crops—the fact that most copper is never lost.

Little Copper Is Wasted

LAST year 642,000,000 pounds of copper came back from consumption; add to that the scrap from the large refineries (198,000,000 pounds) and a substantial industry is uncovered in this one metal. The 840,000,000 pounds returned to use in 1925 made up about 28 per cent of the total output, which means that scrap was nearly 40 per cent as large as primary production. The proportion of scrap to total supply has, since the war, varied between 25 and 35 per cent.

What causes a change in the amount of scrap produced? It might seem that there would be about so much renovating year after year, furnishing a relatively steady supply of scrap. It is found, however, that



the supply is highly sensitive to the price of the metal. Under the stimulus of higher prices, there will be a keener search for second-hand materials. The American business man is not overlooking any good bets for profits. Not only reclaimed material, but also the large part of secondary supply which originates in the refining process, is augmented by the prospect of better prices, since miners will speed up their operations.

Scrap to Be More Important

ALTHOUGH the general tendency is for scrap supplies of all kinds to expand, their *proportion* to total supply does not necessarily increase year by year, for the growth in primary output frequently outstrips the secondary supply. Thus the 131,000 tons of reclaimed rubber rescued in 1925 bore the same relation, 25 per cent, to the total supply as the 70,000 tons of 1919.

In the case of non-ferrous metals, it seems altogether probable that before many years scrap will become the main source of the metal. Taking copper as an example again, we find the scrap proportion to total supply advancing from 15 per cent in 1913 to 29 per cent in 1923, or roughly doubling in a decade. While the future trend should not slope upward so sharply, the tendency will be there.

Is reclamation a new idea? By no means, as the sizable secondary copper output of 273,000,000 pounds in 1913 shows. But its significance has gained more appreciation as industry has grown in size. Large scale operations may easily become sink-holes of loss if scrap is not carefully utilized. But the big impetus to scrap utilization came from the war. It was a two-fold stimulus: the patriotic need for every bit of available material, and the ex-

tremely high prices paid for it. Unlike some other developments, the lesson was not forgotten after the war, although the depression year 1921 naturally curtailed the production of scrap as of everything else. It is noteworthy, however, that the scrap supply of metals during that period fell off relatively less than primary supply.

Iron and steel as scrap differ radically from copper, zinc and lead. Scrap is even more important to the steel industry than it is to the non-ferrous industries. It amounts to nearly half the total output of steel ingots (43 to 51 per cent since the war) and vies with pig iron in its essential influence.

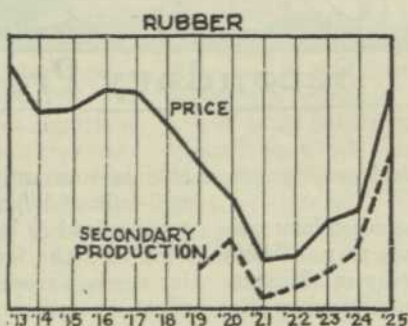
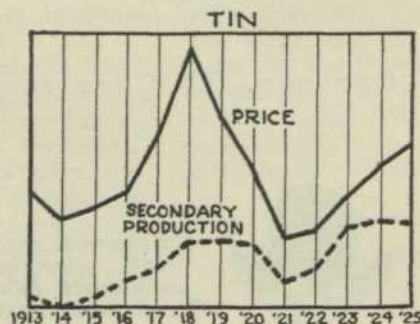
In the earlier days of steel making, scrap did not, and could not, because of technical ignorance and lack of supplies, assume so important a rôle. The Bessemer process made little use of scrap. But the introduction of the open-hearth revolutionized the steel business, and, in so doing, pushed scrap into the foreground. In 1908, open-hearth production definitely surpassed Bessemer, and there was talk of a scrap famine. But the same trend has continued, and plenty of scrap has been obtained, although there are occasions when scrap rules higher than pig iron in price.

The business of supplying this vast raw material need of the steel industry has become immense. More than 50,000 persons

working in 3,000 scrap iron yards comprise only one part of the system, since dealers provide but 35 per cent of the scrap supply, collecting mostly from industrial sources. Thirty-five per cent comes directly from the railroads, and the largest share, 40 per cent, is the product of the steel mills themselves.

Instead of being entirely dominated by prices of the primary raw material, as in the case of most other metals, steel scrap prices have an individuality of their own, an individuality so pronounced that it shows the way to the rest of the steel industry!

Just why steel scrap prices forecast turns in steel production by about two months and pig iron prices by one month or more is a story in itself; it is at any rate another illustration of the unique importance of scrap in the steel industry.



Rubber Figures in the News

FOR THE past year, rubber has been a front page topic. One of the features of the discussion raging over the Stevenson Act has been Secretary Hoover's urgent advice to American manufacturers to use substitutes, mainly reclaimed rubber. The response has been spectacular, since 40 per cent of all rubber used in July, 1926, was reclaimed rubber. To be sure Mr. Hoover cannot claim all the credit, for higher crude rubber prices always stimulate reclaimed usage, as shown in the chart.

Without reclaimed rubber, however, there would have been no salvation for the American rubber industry during the squeeze of 1925-26. Then the meaning of scrap as a second line of defense was fully demonstrated.



Look Out for the Chemistry Faker!

"HII! WHAT'S your hurry?" a friend called to me, on the street, some months ago. "You're just the man I want to see—got a job for you. When can you spend a day with me?"

Now, I am not "psychic." Some people say they get things by intuition. My intuition doesn't toot, so I have to dig deep and hard for information. Yet a thought certainly flashed through my mind then.

This friend is an attorney, has a fine practice, and money to invest, has energy, enthusiasm and a magnificent bump of the marvelous, if there is such a bump.

"Well, what's wrong with that process of yours?" I asked, making a guess.

"Who said anything about a process?" he countered.

"Can't your chemist make it work?" I persisted, making a wilder guess.

"Our chemist has gone east for a few weeks to look over the latest plants," he replied, with dignity. "Of course, it works. But we think this is a good time to have an outside opinion."

Sugar from Shirts

A FEW days later, I went with him to see a little factory on the "East Side," the industrial section of Los Angeles. My guesses were right. A "wizard" had been at work. He and his friends had spent fifty to seventy-five thousand dollars on a factory for making a typical "wizard" product—sugar out of old shirts, or diamonds from pine sawdust, or what you will. Without a word of advice from any working chemist, they had put up the money. And now the "wizard" had disappeared, probably to sell the idea over again to trustful lawyers in another locality, or doctors—even bankers, who are often susceptible to the imitation science of the "wizard."

It was hard to wake him up.

"The thing's practical," he insisted. "We have actual production to prove it."

Extracting gold from sea water is practical, until you come to put your costs beside the miner's. That was the trouble with this factory. It had made sugar from shirts, figuratively speaking, but the sugar cost fifty cents a pound. The equipment was worth little more than its weight as metal.

"Why, everything here is specially designed!" protested my friend, the lawyer. "There are several thousand dollars' worth of standard chemicals that you could use in your own laboratory—we got them from Blank, the big supply house."

I had to tell him that the apparatus of special design had cost five times as much as standard apparatus to do the same work, and that it would be cheaper for us to buy the same chemicals from Blank, in sealed packages, than to check his opened packages if they were given us for nothing. The "wizard" never came back. The factory stands closed, the equipment rusting, while the deluded "investors" hang on to the hope that it can be sold to somebody else. But the eventual purchaser will be the rag-and-iron gatherer.

By ARTHUR R. MAAS

Consulting Analytical Chemist

"Why is it so hard to sell honest chemical knowledge and service to the business man, where the wizard finds plenty of backers?" is a question discussed wherever a few working chemists meet. They have stories like this to tell, about money poured into wonder-working and miracle schemes, that any working chemist could expose in a few moments. The consulting chemist is regularly called in to doctor miracle processes after they have become sick, and usually, as in the case of my friend's process, he can only read the burial service.

Let us study the chemical "wizard."

A little knowledge of his motives and his ways may save us some money during the next few years, for, unless all the signs are wrong, we are in for a period of charlatanry based on false chemistry.

Some of my readers may remember back as far as "Keely's motor." That was a famous scientific fake of the eighties. Dr. Keely's motor purported to run on some form of "natural energy," without cost, like a perpetual-motion machine. It ran, all right, and there was nothing in the way of power to propel it, apparently, and many hard-headed business men of that day put their money into the machine after seeing it run. In the end, I believe, it was found that Dr. Keely operated his motor with a concealed electric wire. Electricity was then very new, and little understood. Edison had lately invented the incandescent electric light, and Bell the telephone. People were prepared for wonders, and Dr. Keely provided a wonder, all wrapped up in a nice package.

Chemistry Advances Rapidly

NOW, CONSIDER a moment some of the things you have been reading about recently in the daily papers.

The Germans are getting ready to make gasoline out of coal and hydrogen, and we are going to make it out of tar.

Cows are being fed on sawdust, and get fat, while it is predicted that we shall eat the morning paper for breakfast, after reading the news—both sober chemical possibilities, based upon the conversion of cellulose into forms of sugar. Synthetic food is in the air, power from the atoms has been as good as promised, people have been led to expect anything, and think that any day now the chemist may begin feeding them on fungi—but I am afraid that before then, the chemical "wizard" will feed them on flabdoodle, at much higher menu prices than they now pay for seven-course dinners.

The business man expects marvels, too. Recently, in a book of great interest, "What Price Progress?" Hugh Farrell has shown him what scientific research and knowledge mean, and especially chemistry, how necessary it is for him to build his business upon fresh knowledge, and protect it against the

"new competition" with the aid of the research scientists.

Why, the stage seems to be set for another Keely motor, bigger, grander, in keeping with this age—and, of course, more expensive. The advertising has been done. It only remains for the charlatan to display the goods. There will always be buyers, because much of this popular scientific knowledge goes in one ear and out the other, and becomes half-knowledge that gives the "wizard's" schemes plausibility.

Properties of the "Wizard"

LET ME see if I can describe the "wizard" so that he will be recognized and avoided.

One thing about him is the confidence he inspires. No chemist seems to be able to get the whole-hearted loyalty and ready financial support enjoyed by the typical charlatan. My friend, the lawyer, lost his money, and should have lost his good opinion of his own judgment, but even after the faker had disappeared, and the "process" proved worthless, he believed in him.

"What was his motive?" he argued. "True, we spent a good deal of money on equipment, but he got very little of it. I tell you he is a genius, with ideas far in advance of you conservative scientists; maybe a dreamer, with some of the difficulties of the genius whose dream is so big that he can't bring it down to earth. But he made nothing out of me, and I'm still for him."

First of all, the "wizard" has sales ability—and that is something sadly lacking among chemists and other scientific workers. He talks up for his scheme, actively circulates among people who can finance it if he convinces them, and takes full advantage of the free advertising I spoke of, by appealing to their sense of wonder, or if it seems better, to their acquisitiveness. He has discovered a way to make sugar out of shirts. If they have a leaning toward the wonderful, he puts an old shirt in a little model, and produces a bowl full of loaf sugar. If they are keen on the money end, he has figures about the total tons of old shirts available in the territory around the factory, and the amount of sugar consumed.

"Wizard" Wary of Scientists

SUPPOSE some skeptical prospective investor in his scheme wants more scientific data. Suppose he suggests submitting it to recognized chemists for an opinion—even the chemistry professors at the local college.

The "wizard" is sorrowful, indignant, resentful. The suggestion hurts his pride—how can anybody distrust him, when his scheme is so plain? And how can anybody propose submitting an advanced scheme like his to those terrible boneheads at the college? They would say it was no good, of course, because they wouldn't understand it, or because the "sugar trust" pays them to kill all such scientific competition. Does the skeptical customer suggest, then, that the idea be passed upon by a consulting

chemist, who has no college connections, nor any obligations to the vested interests? This hurts the "wizard" as much as the other suggestion. Why, that consulting chemist would steal the idea and bring out a process of his own!

How long ago was it that Congress officially investigated a marvelous motor? Do you remember the general circumstances? The inventor had a motor so far in advance of the scientists that his secret became a sort of national affair. It was so big that it must be kept out of the clutches of the "power trust." Nothing less than Congress could pass on it, and Congress did—by referring the technicalities to some plain scientists, who reported that they could find no merit in it.

Remarkable Sales Ability

SALES ability that will charm the birds down out of the trees, and a secret to keep, and the assertion that powerful interests are opposing him—those are three common characteristics of the "wizard," and a way of distinguishing him from a real scientist.

I have wondered, again and again, when called in to appraise the wrecked enterprise of some "wizard" for his duped backers, how men of real intelligence in their own fields—lawyers, and doctors, and merchants, and even bankers—could be led so far into the clouds. Only the hypnotic power of the "wizard" could do it. His salesmanship is so overwhelming that in many cases, I believe, he sells his own scheme to himself. Starting with full knowledge that it is a swindle, he winds up by believing what he tells others.

Speaking for chemists, it is fairly easy to distinguish the real from the false by lack of sales ability. Everyday working chemists, dealing with realities, are rather shy fellows. They say very little about the tremendous possibilities of their discoveries, even when they are tremendous, because they don't know how, and because the true scientific mind is cautious, waiting for absolute proof of probabilities. They are busy in their laboratories, and don't mix much with people.

Several years ago, the American Chemical Society held its national convention in Los Angeles. An entertainment committee was appointed by our local chemical society to arrange for a good time after the scientific discussions. This committee hit upon a daring novelty. There was to be a dinner dance. A flock of beautiful moving picture "extras" were engaged in Hollywood, to come and dance with the delegates.

When the serious chemists were brought face to face with those lovely girls, on a smooth dancing floor, with the saxophones wailing, there was a momentary shock. For five or ten minutes the men of science stood off, looking sideways at the queens of the silver screen. Their wives were there, and that may have had something to do with it. But the wives proved to be good sports. Besides, they were more interested than their husbands. By and by, as shyness wore off, the chemists and the girls got acquainted, and danced together, and a first-rate evening was had by all. Blondes were a treat, after colloids, and brunettes a welcome change from catalysts.

The real chemist is not a salesman. By that sign alone you can tell him from the "wizard." His work saves money in business, but he seldom talks about money—it is the work that interests him. The wizard goes to his prospective customer with alluring promises. If the customer will put up so much money, he will make them both rich in six months. Real chemists have often made folks rich with their achievements, but it is against their scientific trend of mind to make promises. The ethics of the profession discountenance that. If there were no ethics, the real chemist would not know how to make glittering promises. He just isn't built that way.

Another thing about the bona fide chemist: He never tells you, in a whisper, that the "trusts" are on his trail, trying to wrest his secret from him.

For he has no "secret." His professional education and his working experience are against secrecy. Science advances by teamwork in the exchange and publication of information. The "wizard," with his "secret," is like a sniper attacking the stronghold of the Unknown, while the chemist might be likened to a unit in a wave of organized troops. It is about as easy to bottle up scientific knowledge as to bottle up sunshine. The fact that the "wizard" claims to have done it, and refuses to let anybody see the bottle, is in itself a reason for suspecting him.

I knew one charlatan who made his "secret" the cause of a quarrel with his "investors," so that after he had received a good deal of money from a trusting group, on the promise of performing wonders, and when the people who had put up their money demanded some results, he would accuse them of trying to steal his secret. There would be a break, and the "wizard" would abandon those "investors" in charges of bad faith, and get busy organizing another group, with whom he would quarrel in turn.

Classification of Motives

"BUT WHAT is his motive?" business men ask. "Most of the money I put up has been spent for experiments and apparatus. Surely he cannot be doing this for a mere living."

Yet I do believe that many a "wizard" is satisfied to get a living out of his schemes. Sometimes he does make considerable money. Generally he enjoys a sort of power, as a wonder-worker, the center of interest. In some cases he may be an honest "nut," believing in his scheme, but just as dangerous and expensive to anybody who backs him.

One other test can be applied to the "wizard"—inquiries about his scientific education will be evaded, as a rule, because he has not enjoyed such education, and has all the earmarks of the quack.

This is just the time, in our industrial progress, to draw the line clearly between real chemistry and wizardry. For the American business man is finally coming to see the practical value of science. Chemists have been trying to tell him that it was valuable, and endeavoring to prove it by praising the Germans for their scientific industry. This missionary work has been going on for a generation. Results have often

been very discouraging. The American business man has had abundant raw materials, at lower prices than manufacturers in other countries. The immigrant ships have been bringing him steady supplies of unskilled workers. He has been catering to the largest and richest consuming public in the world. Competition has not been troublesome at home, and foreign manufacturers have been shut out by the tariff.

Suddenly, this is all changing. Raw materials of nearly every kind are growing scarcer, and increasing in cost. Work formerly done by immigrants must be adapted to machinery, and common laborers now get more than skilled mechanics did ten or fifteen years ago. His home competitors are crowding him, not only in his own line, but from other lines. Foreign competition may be barred out as to its products, but not its new processes, which will be adopted by his home competitors. The consuming public is still richer and more liberal in spending, but has suddenly become very fickle, switching from one fashion to another overnight.

It is a time for close figuring, and more exact knowledge of everything pertaining to business. Scientific research and methods are necessary. The chemist has a keen interest in seeing that business men get the real thing, now that the day of chemistry has finally dawned for the small business as well as the big.

It may take large research organizations, backed by money, to develop some of the wonderful new products and processes you read about, but often a few dollars' worth of chemical ability will help the small manufacturer.

"I know that scientific research may revolutionize steel-making, or the rubber industry," the small business thinks, "but what will it do for shoe polish, or neckties?"

In my own practice, recently, a shoe polish manufacturer had difficulty with his product. Although he bought the best materials obtainable, and mixed them with great care, each batch of the product varied, and some were spoiled. His difficulty lay, not in poor materials, as he thought, but in doing certain little things by rule of thumb, instead of exact measurements. This was corrected, and all went well again.

Monthly Advice Given

HE CONTRACTED with us for chemical service by the month. Many small manufacturers call in the chemist when in trouble, but do not know how useful he can be if retained like a lawyer, to give advice every time he is called on. For this shoe-polish manufacturer, we tested raw materials as fast as he bought them. We tested his product as it was turned out. We tested samples of his competitors' products, to see where they were slumping in quality, or where they might be better, both points useful to the salesman. When he ran into a little trouble, he called us on the phone, instead of waiting until emergency treatment was needed for big trouble.

We even found the money to pay ourselves! For he had been buying a certain material by the pound, and we bought a different grade for less money, going by the active ingredient needed, and that saved him more than our fee.

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Outstanding Performance under every Condition *of Load and Road*

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Low Prices!*

1-Ton Truck with Stake Body	\$680
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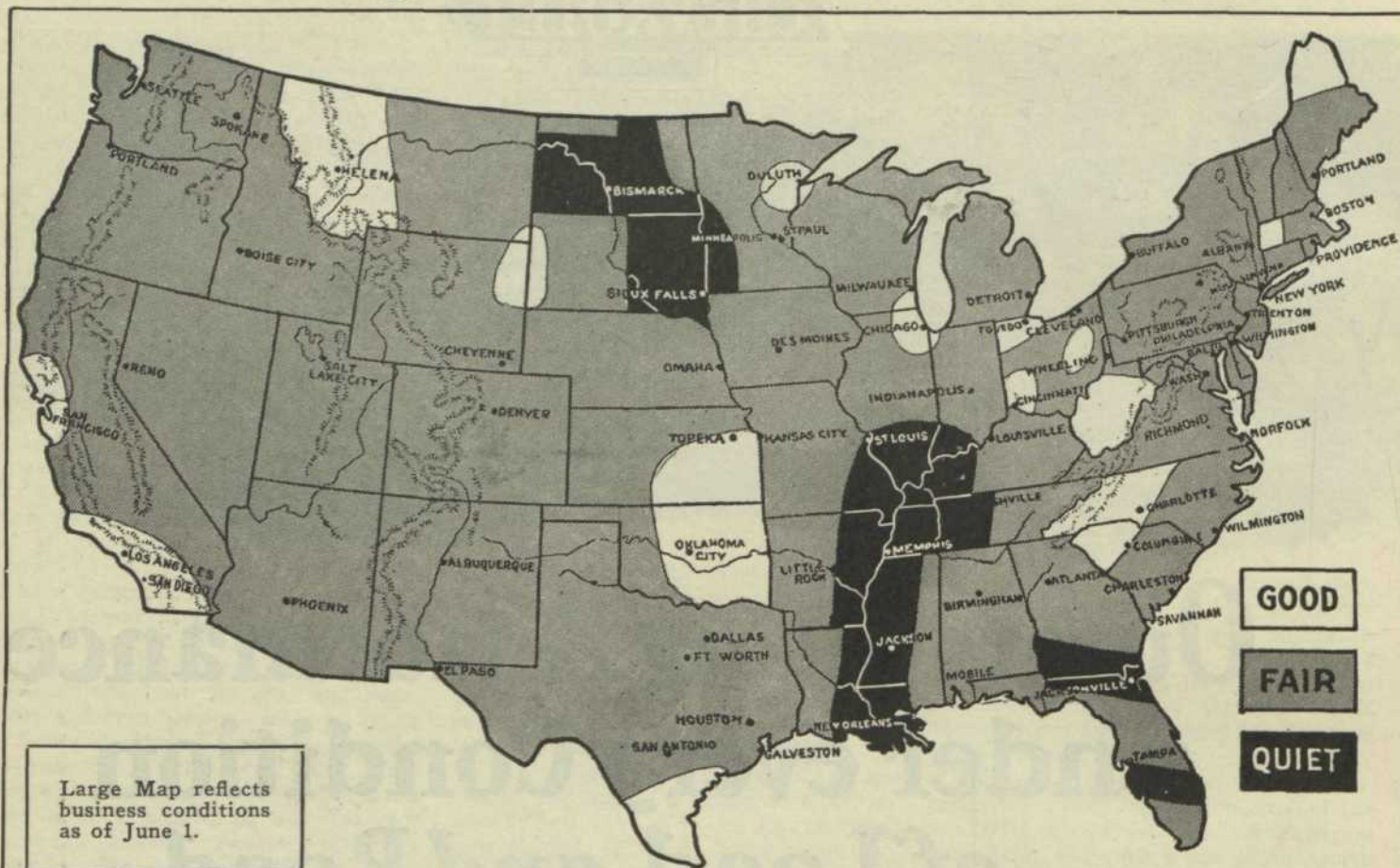
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The Map of the Nation's Business



The Business Map of Last Month



The Map of a Year Ago



RECESION was the outstanding feature in crop, trade and industrial affairs in May, but the retrograde tendency was not uniform, there being some exceptions to and many variations from the general trend.

Here is what happened:

Growing crops such as winter wheat deteriorated heavily while hay improved.

Most spring-planted grains started late and gained little ground until well into June.

Retail trade results varied from good sized gains to considerable decreases as compared with a year ago.

Industry, except possibly building, slowed up. Factory employment as a whole decreased alike from earlier months and from a year ago, and collections were generally complained of.

By **FRANK GREENE**

Managing Editor, Bradstreet's

Wholesale trade picked up a little where receding high waters necessitated replacements and, with the advent of warmer weather in June, retail buying expanded sharply.

Weather conditions, this including flood effects, bulked large in their dulling effects upon trade and industry; seasonal quieting down got credit for some of the visible easing off in manufacturing, and, finally, belated recognition of past intense activity was shown in other directions.

Over against this, speculation in stocks and bonds and in grain and cotton respectively kept close to peak heights or expanded heavily; these movements, espe-

cially in their effects on prices of securities and of commodities and on bank clearings and bank debit comparisons, possibly tending to obscure the quieting down shown in trade and industry from the high levels of earlier months. It may perhaps be said that events in May were quite generally in keeping with the view expressed a month ago that crops, trade and industry were a little below the tops of a year ago.

In commenting upon retail trade in April it is pointed out that the lateness of Easter this year as compared with last had a deceptive effect upon comparisons made for that month with the like month a year ago, tending to swell unduly this year's gains over 1926 in that month. This view is partially confirmed by the fact that the chain store gain in sales, which was 25 per cent in April, shrunk to 7.5 per cent in



Your Own Good Judgment Tells You:

"WATCH ALL YOUR INVESTMENT"

In that quiet hour when the hustle of the day is over and the last clerk has said "good night", does the wraith of your own Good Judgment ever come to you and say:

"My friend, that cash that you count and balance daily—which you guard so carefully against mismanagement and theft is only 5% of your working capital . . . Are you watching the remaining 95%?"

"The money invested in customers' accounts represents approximately 20%. Can you tell me this minute how much each customer owes and the total outstanding? Do you get a trial balance daily? Are statements mailed promptly? Do collections keep pace with sales?"

"Yet cash and accounts receivable are only one quarter of your working capital. There is

another single asset three times as large, three times as important—the merchandise upon your shelves. It represents probably 75% of your total investment.

"Mere good business demands that you know each day how large this merchandise investment is—whether sales are falling behind purchases—whether costly items are standing idle while new stock is moving. Not to know is dangerous.

"Why not watch *all* of your investment? Don't claim that this will take too much of your time or call for extra help. Listen to me—your own Good Judgment! The local Burroughs man has a simple plan which will give you the vital figure-facts of your business every day—in less time—with less labor—and at lower cost. Call him now!"

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May; that mail order sales gains were only a small fraction of one per cent in May as against a 4.6 per cent increase in April; that combined sales of these two branches fell from 17.6 per cent in April to 4.6 per cent in May. The gain in department store sales in April of 6.9 per cent was turned into a decrease of 3 per cent in May.

Wholesale trade reports showed diverse movements in May. Steel buying tended to shade off while, on the other hand, cotton goods sales were large. Prices of the former were rather unsteady with pig iron and scrap lower. Cotton goods advanced with the rise in raw material to 17.05 cents as against the low of 12.15 early in December.

Leather was active and higher, following the large shoe factory production of March and April, but furniture was quiet, part of this due to the uprush of hardwood prices which resulted from the curtailment of output in Mississippi valley mills by the floods.

Woolen goods were not over actively bought, and 60 per cent capacity operations were reported at one large center. A reflection of this possibly was found in the passing of the dividend on the preferred stock of the largest manufacturing interest in this trade after twenty-seven years of steady returns.

Copper and the other non-ferrous metals were depressed rather sharply, but it was significant that copper at a decline of one cent was reported bought actively.

Mill takings of raw silk have been large, more than a fifth larger than for five months of 1926 and making a record for that period, although several centers reported trade not active and raw and manufactured silks are lower in price than some months ago.

Partial Upswing

AMONG the industries the general trend, as already intimated, has been toward quiet, but it is worth noting that some of the most important (barometric industries as it were) have very recently been working at high speed. Thus, while pig iron production for May was 2.7 per cent below the like month a year ago, the decrease for five months from the record total a year ago was only 1.6 per cent and steel ingot output for May was actually 3 per cent above a year ago, while for five months it was only half of one per cent below 1926.

Soft coal output, with 8,500,000 tons turned out weekly by non-union mines, is supplying practically all the coal of that type needed, the reduction in stocks above ground in over two months of the life of the strike being slightly less than half of the output for one week. The non-union mines are held to be capable of materially

increasing production if price and demand conditions warrant it.

The automobile output for May, with the largest maker of individual units excluded because of below capacity operations pending changes in models, is reported by the National Automobile Chamber of Commerce as 18 per cent ahead of May a year ago. This compares with a decrease of 7.6 per cent in April from a year ago with all the factories reporting, while for four months ending with April the output of all the factories was 12.6 per cent below 1926, which was the record year.

A side light on the essential strength of

for the five months which are respectively 8 and 7.7 per cent below a year ago. This decrease of 7.7 per cent from 1926, for five months, in building permitted, follows a decrease in the like period of 1926 from 1925 of 3 per cent.

Three other industries from which approximately recent (April) returns are available are those of crude petroleum production, electrical output and railroad earnings. Domestic production of petroleum in April was about 1 per cent below the peak of March but 20 per cent ahead of April a year ago, while the output for four months was 22 per cent ahead of the like period of 1926. Estimates of output for the first week of June are that domestic production in that period set a new high peak which would indicate that, while new drilling may have been discouraged, the production of existing wells, largely in the Seminole field, has broken all previous records in that area.

Increased Car Loads

ELECTRICAL production in April was 10 per cent in excess of April a year ago, although daily production fell 2 per cent behind that of March and 6.5 per cent below that of the peak of December, 1926.

April furnishes another example of increased car loadings being turned into decreased compensation for the railroads in the form of gross receipts. The car loadings for April gained 2 per cent over the like month a year ago, but the gross receipts of 183 Class One railroads for that month fell four-tenths of 1 per cent behind April, 1926. For four months of 1927 gross receipts gained six-tenths of one per cent over last year, while car loadings of "revenue freight" gained 2.8 per cent. May car loadings fell 1.2 per cent below a year ago, practically all in the last week.

As already indicated, the crop situation with summer close at hand is rather chaotic. Our own crops are late, the areas sown will certainly be smaller, and foreign reports are not quite as favorable as a while

ago when a number of European countries were reported considering increasing the proportion of white flour allowed in bread.

A good example of a feared burdensome surplus disappearing was afforded in the effects of bad weather, too dry or too wet, restricting the supply of new potatoes and causing prices of old potatoes to jump up 50 per cent beyond last year's prices at the flag end of the old crop season.

It looks as if the farmer may be saved from producing a burdensome surplus, in which event there may be a chance to do some fine balancing of opinions as to whether a reduced crop yield in wide areas can be offset by the effect of higher prices upon other producers or consumers.

BUSINESS INDICATORS

Latest month of 1927 and the same month of 1926 and 1925 compared with the same month of 1924

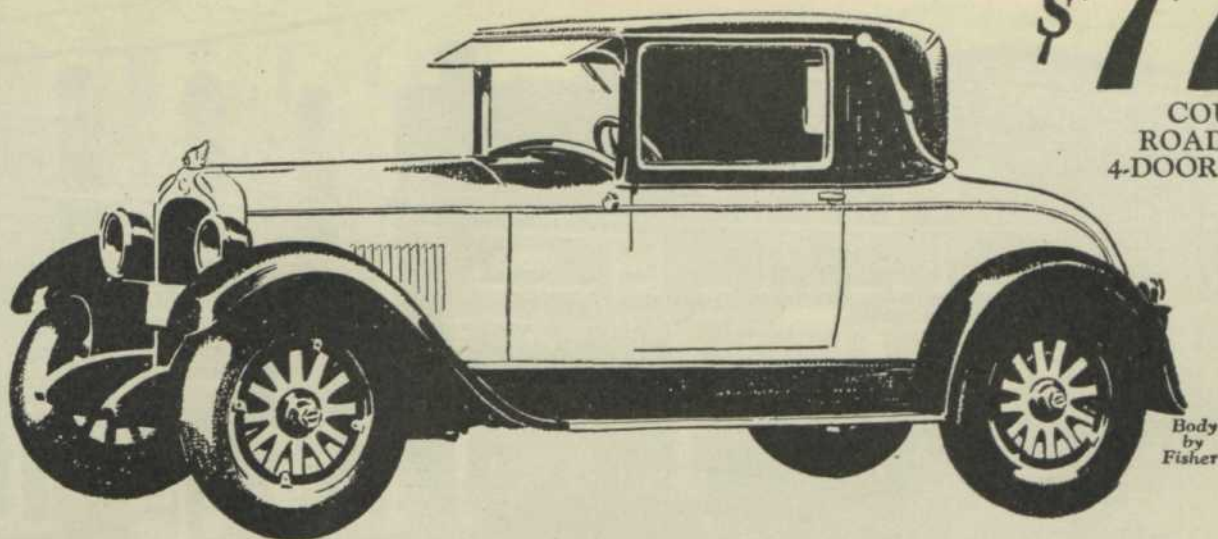
	Latest Month	Same Month 1924	1926	1925
Production and Mill Consumption				
Pig Iron.....	May	130	133	112
Steel Ingots.....	May*	150	149	131
Copper—Mine (U. S.).....	Apr.	107	111	107
Zinc—Primary.....	Apr.	115	119	109
Coal—Bituminous.....	May*	108	121	109
Petroleum.....	May*	125	101	111
Electrical Energy.....	Mar.	134	123	108
Cotton Consumption.....	Apr.	129	121	125
Automobiles.....	Apr.	108	117	115
Rubber Tires.....	Apr.*	144	121	121
Cement—Portland.....	Apr.	120	106	118
Construction				
Contracts Awarded (36 States) Dollar Values.....	May	127	124	118
Contracts Awarded (36 States) Square Feet.....	May	131	117	115
Labor				
Factory Employment (U. S.)—F. R. B.....	Apr.	94	97	97
Factory Payroll (U. S.)—F. R. B.....	Apr.	98	100	97
Wages—Per Capita (N. Y.).....	Apr.	105	104	100
Transportation				
Freight Car Loadings.....	May*	105	106	102
Gross Operating Revenues.....	Apr.*	105	105	100
Net Operating Income.....	Apr.*	105	122	107
Trade—Domestic				
Bank Debts—New York City.....	May*	145	124	122
Bank Debts—Outside.....	May*	123	115	109
Business Failures—Number.....	May	102	95	97
Business Failures—Liabilities.....	May	103	92	101
Five and Ten Cent Store Sales—4 Chains.....	Apr.	137	114	110
Department Store Sales—F. R. B.....	Apr.	105	100	102
Mail Order House Sales—2 Houses.....	May	123	123	108
Wholesale Trade—F. R. B.....	Apr.	100	103	101
Trade—Foreign				
Exports.....	Apr.	120	112	115
Imports.....	Apr.	116	123	107
Finance				
Stock Prices—20 Industrials.....	May	187	155	139
Stock Prices—20 Railroads.....	May	164	131	119
Number of Shares Traded In.....	May	337	172	267
Bond Prices—40 Bonds.....	May	111	108	106
Value of Bonds Sold.....	May	123	91	124
New Corporate Capital Issues—(Domestic).....	May	356	140	137
Interest Rates—Commercial Paper, 4-6 mos.....	May	99	95	93
Wholesale Prices				
U. S. Bureau of Labor Statistics.....	Apr.	97	102	105
Bradstreet's.....	May	101	104	111
Dun's.....	May	102	102	106
July, 1914 = 100				
Retail Purchasing Power, July, 1914 = 100				
Purchasing Power of the Retail Dollar.....	Apr.	61	59	61
Purchasing Power of the Clothing Dollar.....	Apr.	58	57	59
Purchasing Power of the Food Dollar.....	Apr.	65	62	66
Purchasing Power of the Rent Dollar.....	Apr.	59	57	55

*Preliminary.

Prepared for Nation's Business by General Statistical Department, Western Electric Company, Inc.

the industry is had from the statement by the Department of Commerce agent at Detroit that exports of cars and trucks in April were 46,703 units or 11.7 per cent of the April output. The total value of automotive exports for April was \$46,168,743, a gain of 16.8 per cent over the previous high point reached in March and of 14.5 per cent gain over April a year ago.

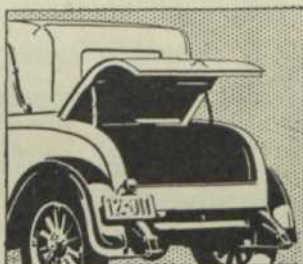
Latest estimates of the output, shipment and new orders for soft wood lumber, the largest constituent in ordinary building, made by trade authorities, points to a decrease of 10 per cent from a year ago. This estimate is apparently not greatly different from the current returns of building permitted for at leading cities for May and



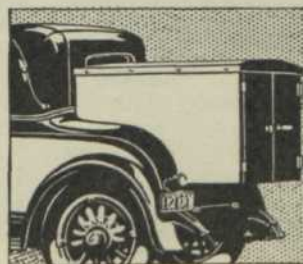
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Ample space in the Coupe for samples, advertising literature or other material is provided under the rear deck cover which extends to the floor.



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Every sales executive, who has been on the road himself, wants his salesmen to have the best transportation that a reasonable expenditure will buy. He wants such transportation—not merely for the sake of keeping his men comfortable and happy—but primarily because he knows that it will help them to do a better job.

He recalls the days when he stamped his own feet on small town station platforms, cursing late trains and losing valuable time out of every working day. Now he wants his salesmen equipped to go from one place to

another, swiftly, surely, and with no costly delays.

Such sales executives are becoming more and more favorable to the Pontiac Six. They recognize its six-cylinder performance, its marked reliability, and its unique utility as the exact qualities which their salesmen need. And they agree that it is useless to look for the equal of the Pontiac Six at anything like the Pontiac low price.

If you are not fully acquainted with the Pontiac Six Coupe, examine this car at the nearest Oakland-Pontiac salesroom, with your salesmen's requirements in mind.

Pontiac Six, \$775 to \$975. Pontiac De Luxe Delivery—Chassis, \$585; Screen, \$760; Panel, \$770. All prices at factory. Delivered prices include minimum handling charges. Easy to pay on the liberal General Motors Time Payment Plan.

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MAIL THE
COUPON TODAY



Business Pinch Hits

By FREDERICK SIMPICH

A GROUP of business men, widely representative of industrial pursuits and of regional geography, met in Washington in the early days of May.

Up from the South came tidings of the Great Flood. "The greatest peace-time disaster in our history," said Secretary Herbert Hoover. . . . "Over 700 cubic miles of rainfall, driving 750,000 people from their homes; inundating their farms, towns, sawmills, sugar refineries—washing houses, implements, work animals, cows, pigs and poultry out to sea. . . . To get back to what once was home, to start life all over, probably half a million refugees need more credit than the flooded valley—rich as it is—can give them. The whole country must help. For now our nationwide economic machine is so complex that any injury to one of its parts hurts the whole." That was Hoover's message to business.

Chamber Offers Aid

BUSINESS, at its annual meeting under the auspices of the Chamber of Commerce of the United States, declared by resolution that the Macedonian cry for aid should be answered, and the shock of this disaster to its victims eased as much as might be.

And business, at its Washington meeting, named a new leader, Lewis E. Pierson, a New York banker.

Remembering the admonition of the group, to whose leadership he had been called, Mr. Pierson came to Washington to do something about the flood disaster.

He phoned Secretary Hoover, at the scene of the disaster, directing the work of immediate relief. Secretary Hoover as-

sured Mr. Pierson that the emergency task—that of feeding and temporarily sheltering the homeless—was being performed most admirably by the Red Cross, aided by the funds which the country poured into its relief chest. But, said Mr. Hoover, after the waters recede comes the great task of rehabilitating these dispossessed people—farmers and merchants—encouraging them to return to their farms and drowned crops and their mud-fouled stores and take up again the processes of life rudely interrupted by the onrush of flood waters. That, he said, is not for the Red Cross. That is for Business.

Mr. Pierson then went to the White House. He talked with the President, getting his views. He went to the Farm Loan Board and talked with Commissioner Eugene Meyer.

Business Called On

PRESIDENT COOLIDGE knew the truth—the grave economic peril of the South before this sinister yellow sea. Shouts to Congress arose. But Coolidge didn't call Congress. Instead, he called on Business, whose services Mr. Pierson, in the name of the National Chamber, had proffered. To Mr. Pierson the President wrote a letter.

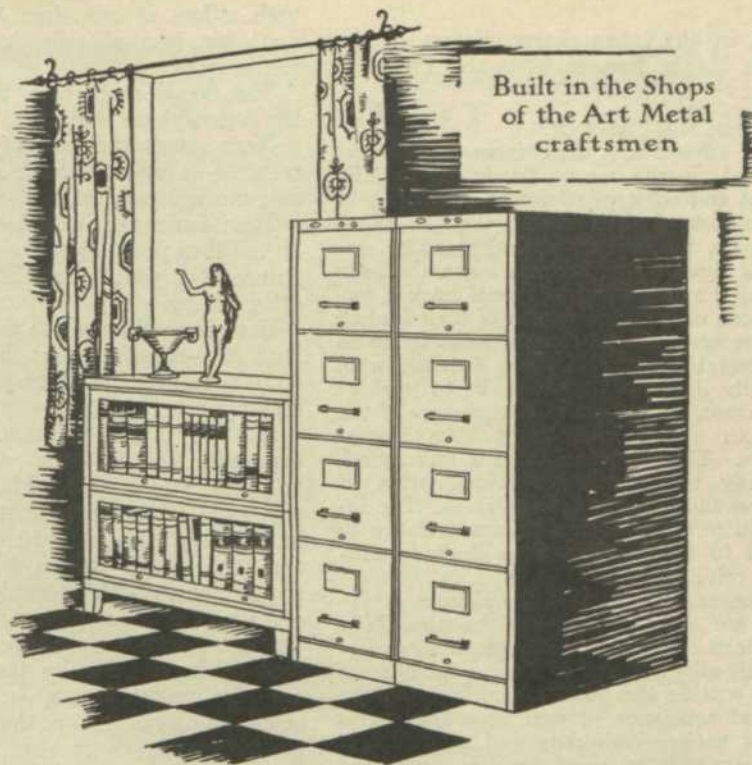
In substance, the President said: "Call Babbitt. He's a good pinch hitter. He



The Red Cross gives first aid to stricken areas, following disasters such as the recent floods. Business now gives second aid in the form of ample credit to reestablish residents when the waters recede



OUT OF STEEL THAT ENDURES -- BEAUTY



BEAUTY in steel office equipment starts with the raw steel. A special grade, open hearth, cold rolled steel—re-annealed to stand sharp bending—is the only steel that Art Metal inspectors will accept.

The smooth, flat surface of such steel—acid-treated to remove scale and all impurities—takes a finish perfectly and holds it for a lifetime. Like many Art Metal processes, using special steel is more costly.

But since 1888, when the first piece of steel office equipment was made in Jamestown, Art Metal crafts-

men have given that infinite attention to little details which has made Art Metal more beautiful.

Today every Art Metal desk, file, safe and cabinet retains much of this heritage. Improved? Yes. For Art Metal equipment of 1927 not only reflects the hand-wrought beauty of early craftsmanship, but represents the last word in practical design as well.

We invite you to inspect the finest steel office equipment that can be made. You will find that it is moderately priced. Art Metal Construction Company, Jamestown, N. Y.

In the offices of the Life & Casualty Co. of Nashville, Tennessee, Art Metal provides beauty and dignity with no sacrifice of utility.

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STEEL OFFICE EQUIPMENT by Art Metal

proved that in 1917. . . . Let him bat now."

Or, in the more chaste diction of the White House, here is what the President wrote:

MY DEAR MR. PIERSON:

I am advised that the citizens of the states involved in the recent floods are making earnest and effective efforts to reestablish to the utmost of their ability their damaged industries, particularly agriculture. In several of those states this has taken the form of capital subscription to special finance corporations under the direction of their leading bankers and business men to assist by loans the reestablishment of those farmers, who, normally dependent upon credit to produce their crops, are unable in consequence of the flood to obtain such credit from normal sources. The purpose is also, I understand, generally to support the rehabilitation of business and industry through loans. The Intermediate Credit Banks have undertaken to extend to those corporations limited rediscount privileges.

I understand also that the citizens of the South are seeking to increase the strength of these loan corporations through securing substantial subscriptions to their capital from states outside the flood area. It would be of great assistance, as well as a demonstration of national solidarity and sympathy, if the business interests of America, under the leadership of the Chamber of Commerce of the United States, could now undertake to comply with the request of those leaders to secure to their loan corporations subscriptions of capital, say dollar for dollar with that provided from the flooded states.

I therefore ask if you will not take the lead in calling a conference of various leaders in business which would develop the early assurance of such help and that you would under my direct request, thus expressed in such a manner as your own judgment should decide, then proceed to make effective this evidence of the great sympathy of the rest of the country for that section which is now under such need.

Very truly yours,

CALVIN COOLIDGE.

Quickly this word flashed north, east, and west. Swiftly the answers came. "Of course," said Business.

So June 3, in an upper room of the Washington headquarters of the nation's business, a baker's dozen key men of American industry grouped about a table. In came Secretary Herbert Hoover. In short, graphic phrases, Hoover dramatized the flood story and its problems.

A flood, he said, is different from any other disaster. It gives notice of its coming. Rescue work can be mobilized ahead of it. Modern invention has greatly aided. We are able to mobilize the Army for protection; the Navy, the Coast Guard, the Lighthouse Service and military aviation—all for immediate rescue work.

In addition, we mobilize railroads and motor trucks, and, as we can exactly time when the flood will arrive, we are ready. We warn the people, and the railroads and the motor trucks take them out of the endangered area before the waters are upon them. A few refuse to go. Motor boats are in readiness to rescue these when the waters come. Scout planes keep cases on the waters, and advise of its performances. They are alert, too, to aid endangered refugees.

Thus 650,000 imperiled residents of the

flood areas have been removed from danger with a loss of less than 100 lives—a remarkable feat of relief mobilization and rescue work.

The floods surge over these areas, and the rescue phase is over.

Next comes the task of caring for the refugees—they must have food and shelter and medical service.

Then comes rehabilitation.

And then prevention of similar disaster in future—but that is another story for another telling.

Here is the immediate task, the task for Business—rehabilitation; helping to start 650,000 refugees back to productivity and self-support.

Most of these flood needy, Mr. Hoover explained, are farmers. Of these, share croppers predominate. Many, financed by the usual advances against the new crop, had already done their 1927 planting when the flood came. Others were just preparing to plant. Both classes lost all seed, and often part or all of their work animals, implements, houses, furniture, and food and feed on hand. Besides the farmers there are also wage earners, tradesmen and a small industrial group that needs a bigger volume of credit than can be had locally. Mr. Hoover mentioned one small sawmill owner in Arkansas who, if he now had \$25,000 or \$50,000 credit, could at once put 1,200 people at work—1,200 now being fed by the Red Cross. This is but one example.

More Credit Needed

THE Red Cross might be able, Mr. Hoover said, to give seed, a few work animals and a minimum possible shelter, household goods, and food—say enough for a month. That is, enable them to plant a crop and live for a month. Then, some credit device should be set up to carry them through to harvest time.

To give this credit, business men of the three states hardest hit—Arkansas, Louisiana and Mississippi—have already set up special credit mechanisms capable of undertaking larger risks than country banks of limited capital could carry safely. Thus the indomitable spirit of the New South rallied to the emergency, not waiting for help from the outside. But even this admirable pluck is not enough, Secretary Hoover declared. The country at large should help. It ought to put up, dollar for dollar, as much money as the flooded region, because the problem is national, not local.

That was Mr. Hoover's story. When he had told it, he took his familiar gray felt hat and went out, quietly, alone. That is his way.

Then Mr. Pierson "took the word." Briefly, he asked the group to organize a holding concern to be known as the Flood Credits Corporation. Already, he said, credit mechanisms were set up in the flooded states as follows: The Arkansas Farm Credit Company with a capital of \$500,000 locally subscribed; the Mississippi Rehabilitation Corporation, with \$500,000; the Louisiana Farm Credit Company with \$750,000.

So, to match the credit raised in the three states, and to meet unexpected con-

tingencies, the capital of the proposed Flood Credits Corporation should be at least \$2,000,000.

Officers of the Corporation

UNANIMOUSLY, without wasted words, the corporation was formed. Then officers and directors were quickly chosen. Here is the list:

President: M. N. Buckner, chairman of the Board, New York Trust Company, New York City, who formerly lived in Louisiana.

Vice-President: Samuel W. Reyburn, president, Lord and Taylor, New York City, a former Arkansas banker.

Directors: George A. Ranney, treasurer, International Harvester Company, Chicago; O. H. P. LaFarge, assistant to the vice-president, General Motors Corporation, New York City; Charles W. Appleton, vice-president, General Electric Company, New York City; W. S. Linderman, president, Duquesne National Bank, Pittsburgh; George A. Coulton, senior vice-president, Union Trust Company, Cleveland.

The Flood Credits named the New York Trust Company as its depository. Its capital will be used to increase the capital stock of the three state credit companies already set up. Against stock of these companies that it will receive, the Flood Credits Corporation will issue debentures to its subscribers.

So swiftly did these men work that the meeting was over in an hour.

Thus, in three days, after the President's letter, American Business did just what the President of the United States asked it to do. In seventy-two hours from the time he got the President's letter, Mr. Pierson replied to Mr. Coolidge as follows:

It is a pleasure to advise you that your request for business aid to agriculture in the flood area has been promptly met by the large industries and banks of the country. . . . You may be assured that this action is simply another evidence of the sympathy which the business interests of the country extend to the people of the Mississippi Valley as well as a testimonial of confidence in their ability and integrity.

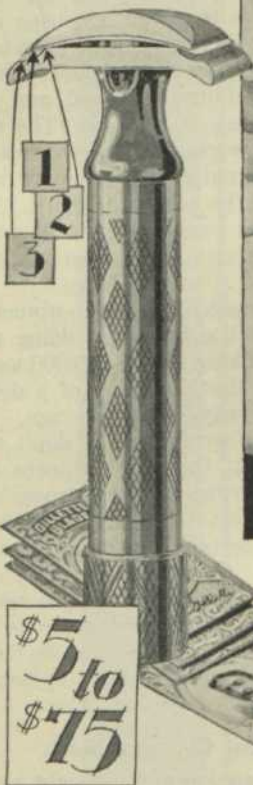
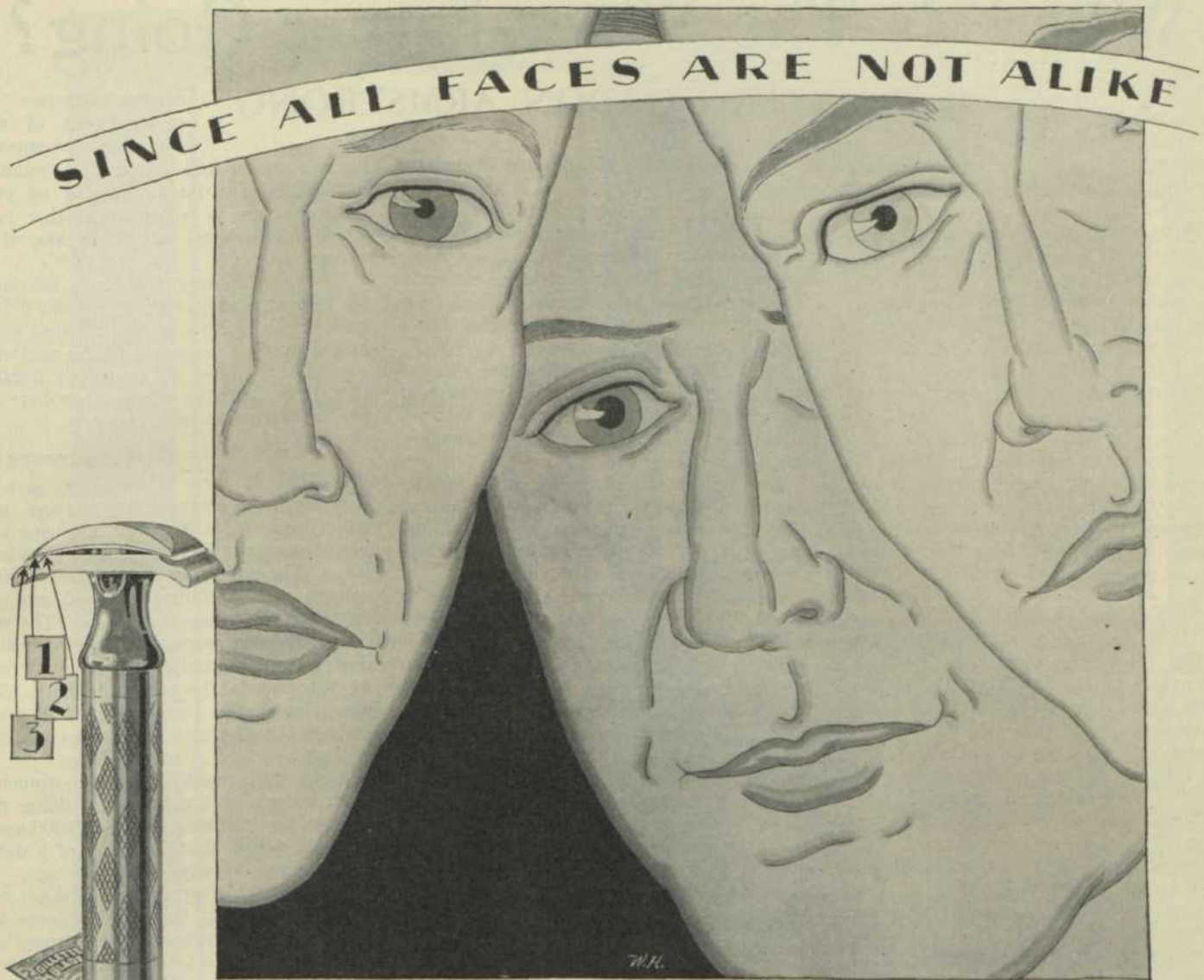
This was a good, big job. No other country but America could have done it so quickly. Without this help, volunteered by Business, rehabilitation would be much slower.

Yet it does not mean that banks in the flood area are weak. On the contrary, they are sound. But, in the face of this unparalleled disaster, more credit is needed than local banks are big enough to give.

Aided by the Flood Credits plan, the three state loan corporations will have \$3,500,000 of capital. On this, by law, the Intermediate Credit Banks can lend three or four times as much more.

Other local credit agencies can also help. They are helping already. Then, too, merchant credit is being liberally extended. "My customers can have six months, a year, two years—whatever they need," one Little Rock merchant told me. Already, in many cases, Big Business, in the form of factories and wholesalers, is replacing without cost stocks of goods that were damaged by water.

Thus Babbitt casts his bread upon the waters. To the Golden Rule, somehow, he clings in a blind, old-fashioned way.



*Some men hurry
... others take
their time*

—the nature of the skin and beard of every man differs from his neighbor's.

The New Improved Gillette makes shaving comfortable and enjoyable to ALL. It has **1** a shaving edge with ample

space beneath to receive shaved hair and lather without clogging; **2** an adjustability of shaving edge so precise as to suit any skin and beard; **3** a micrometric exactness of dimensions that makes it *the hand-tailored razor for your face* . . . Get a New Improved Gillette today and your shaving troubles are over.

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Where Is The Wage-Earner Going?

THE NUMBER of people who work for a living, who

By WALTER GORDON ARMSTRONG

careful selection and weeding out of those who each year enter the

are gainfully employed, is growing smaller every year. This is one of the important facts brought out in an investigation carried on by the National Industrial Conference Board of New York. In 1925 only 37.2 per cent of the United States population worked for money. Or, if you choose, put it this way—only 26 people out of every 70 were gainfully employed.

The laborer trudging off to the factory, the executive at his desk, the farmer in the fields, clerks, teachers and typists, surround us with a vast throbbing bee hive of activity. Does it seem possible that there are 63 out of every hundred, a total of 72,000,000 at home, at school and at play, supported and protected by the 37 per cent of workers? The figures, however, are probably correct.

Who Does the World's Work?

DROP back fifteen years to 1910, and we find there were approximately forty-two workers to the hundred. Out of 91,000,000 human beings 38,000,000 were gainfully employed.

If only 39.4 per cent in the United States were working for pay in 1920, how about the rest of the world? In Europe, Holland and Denmark alone showed a smaller percentage, 37.7 per cent, to be exact. The same year Great Britain and Ireland showed 44 per cent, France 53.3 per cent, Italy 46.8 per cent, and Germany 56.6 per cent.

As these figures are being reported for executives, it will be interesting to know just what sort of work occupied the 43,000,000 in 1925. Manufacturing and allied mechanical industries took care of 29.9 per cent. In 1910 this same field used 27.8 per cent. The number who have gone into the factories have shown a slight increase. If the average executive were asked the question, probably the major portion would say that there are many more workers in the manufacturing field than in agriculture. The figures do not support this impression, as in 1910 there were 33.2 per cent engaged in agriculture against 27.8 per cent in mechanical lines. Workers are leaving agriculture, however, as in 1925 only 24.5 per cent were so employed—a falling off of 8.7 per cent in fifteen years.

Blame it on the war if you like, or perhaps our farmers have heard about the scientists working on synthetic beefsteaks, but the fact remains that men are leaving the farms. The automobile, the moving picture, better roads, radio, and many other developments have been influencing factors. The flow cannot be permanent, however, as the raising and growing of food will pay a profit and prove an attractive field of endeavor just as soon as the farmers apply the same modern methods to agriculture that business executives use in their factories and stores. The good old law of supply and demand will turn them back when there are more hungry men than

potatoes and more eaters than bushels of wheat.

But, back to the facts. Everybody knows that there are fewer personal and domestic servants today than in 1910. The number has fallen from 9.9 per cent to 8.4 per cent. The day of the drudge who worked from daylight until well into the night, for a few dollars a week, has gone.

In 1925 the railroads and other systems of transportation employed 7.6 per cent of all workers and 2.7 per cent were engaged in mining. These two groups showed a slight increase.

The non-industrial fields, the "white-collar" jobs, took care of 35.3 per cent of all paid workers; 5.5 per cent were in the various types of professional service and showed a small increase over 1910.

Public service, under which heading is listed all branches of naval and military service, used only 1.8 per cent.

The largest single group in the non-industrial field, 10.7 per cent, were in trade, and this class also grew larger during the fifteen years covered by the report.

Clerical work in 1925 absorbed 8.9 per cent of all those gainfully employed. This group nearly doubled their proportion, as only 4.6 per cent were so employed in 1910. All along the line "white-collar" men increased, which is another noteworthy shift of workers.

Better Conditions, Fewer Workers

IF IT is true that the number of gainfully employed is growing smaller every year, then the natural question to ask is, "Why?" Probably no one is capable of giving an all-inclusive answer, but so far as can be determined the reasons are sound and show a healthy, constructive trend toward better economic conditions. The man who mourns the passing of "the good old days" is talking in his sleep. The world moves ahead, and, regardless of how much we may at times doubt it, leaders in business and politics are striving slowly but surely to build safer and better.

Only a few years ago "child labor" was a definite problem and, while it now seems impossible to believe, there were strong forces blocking any constructive legislation. The better influence prevailed and the fact that these boys and girls have left the ranks of labor and are going to school is one of the new conditions which has reduced the number of workers.

There was a time, not so long ago, when only a few young men and still fewer young women went to college. The fortunate sons of the wealthy and a few serious-minded boys from the better homes formed the main body of college students. All others went to work, and any grown man today knew many boys and young men who left school to "start at the bottom and work up." Today the colleges are filled with all classes and conditions of students and there is a growing feeling that a more

higher schools and universities would be beneficial. The larger number of young folks who are in college is another factor which has thinned out the ranks of the worker.

Restricted immigration has a bearing on the subject and has been a decided influence in the shifting of the different groups and classes. A volume could be written on the various phases of controlled immigration, but it answers the purpose here simply to mention it as a factor.

Women Who Work Increasing

ANOTHER fact to consider, and one which has an important bearing on the whole problem, is the ever-increasing number of women who are at work outside the home. The last census showed that 8,500,000 women are gainfully employed and that 2,000,000 of these are married. The number of women working in mechanical industries and manufacturing has increased 41 per cent in the past ten years. "One out of every five wage-earners is a woman and one out of every four women is a wage-earner."

Eight and one-half million women at work outside of the home are doing more independent thinking than 8,500,000 women confined within the four walls of a domestic problem twenty-five years ago. Regardless of what you may sell, don't overlook the fact that this new influence is to be accepted, recognized and considered. The indirect effect of such an economic shift may, to a certain extent, be measured by the direct. Commercial bakery production has increased about 12 per cent in two years. The value of bread, rolls, and coffee cakes alone approximates \$600,000,000 a year. "Mother's" bread is fast becoming a figure of speech.

What the Changes Mean

CAREFUL planning and foresight are attributes of good management and every shift and change in economic conditions presents new problems. The facts and figures given here, while interesting to those who thrive on statistics, are only of value to the active executive in so far as they serve for guide posts along the road of business progress.

As the number of domestic and personal servants decreases and if women continue to work outside the family circle, there will be an increasing call for the manufacture and sale of labor-saving devices for the home. Electric irons, washing machines, vacuum cleaners and similar household appliances will come more completely into their own. It is also quite probable that there will be a gradual but persistent trend toward simpler home furnishings. Combine this with the increased earning capacity of each worker, the general improvement in personal tastes and the tendency will be toward quality rather than inexpensive quantity.

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of the Kansas City Sales Office
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Do We Want What Taxes Pay For?

By WILLIAM P. HELM, Jr.

Cartoon by Albert T. Reid

EDITOR'S FOREWORD—This is the fourth of a series of articles on the rising cost of running the Federal Government, by William P. Helm, Jr., business analyst. Expenditures for peace time activities jumped from one hundred and seventy millions in 1913 to a billion, three hundred and ninety millions in 1926, for civil and miscellaneous establishments. The figures do not include allotments to the Army and Navy, pensions, debt interest, debt retirement, Panama Canal or Indian affairs.

Mr. Helm explains what we get for our tax money, and why the increase is so rapid.

In this article he takes up the spendings of six government activities.

AMONG wholly routine activities of the Federal Government, six stand out as contributing factors to the increase in governmental costs since 1913. They are:

1. *Pensions*.—Although the number of pensioners in 1926 was 40 per cent lower than in 1913, the total paid out by the Government was nearly 50 per cent higher.

2. *Rivers and Harbors "Improvement."*—Here is the so-called pork barrel of Congress. Spendings in 1913 were \$42,274,840; in 1920, \$49,873,930; in 1926, \$69,003,553. In 1927, such spendings probably will set a record of about \$78,000,000.

3. *The Judicial Establishment*.—Forty per cent higher than in 1920 and 120 per cent higher than in 1913, the cost of maintaining this branch of the government established a new record in 1926. It is still rising.

4. *Department of Justice*.—Spendings in 1926 were 300 per cent of the 1913 total, 5 per cent below the extraordinary spendings of 1920.

5. *Department of the Interior*.—Routine and trust fund expenditures rose 20 per cent from 1920 to 1926, double the 1913 total.

6. *Department of Labor*.—This newest of federal departments spent \$3,347,000 in 1913, \$6,125,231 in 1920, and \$8,613,198 in 1926. Its spendings in 1927, according to budget bureau reckoning, will be about 10 per cent higher than those of 1926.

They Grow as We Go

COMBINED, these six activities of the Government spent \$351,697,933 in 1920 and \$406,330,071 in 1926. During the last six years of readjustment and retrenchment their spendings thus rose about \$55,000,000. Combined spendings in 1913 were \$270,097,351.

Their spendings have increased steadily, year by year. With the possible exception of the Department of the Interior, each will cost the taxpayers more in 1927 than in 1926; more in 1928 than in 1927. Interior's routine spendings may decrease somewhat in 1927 because of curtailed trust fund payments.

The record of some of these activities suggests unusual spending possibilities in the not distant future.

Let us consider pensions, for instance.

More than \$7,000,000,000 already has flowed out in pensions from the federal treasury. The stream is widening and deepening. In 1913, when the number of pensioners on the roll was about 830,000, the Government's pension payments amounted to \$175,000,000. In 1920, with fewer than 600,000 pensioners, the total was \$213,000,000. In 1926, when the number had dropped to less than 500,000, payments exceeded \$227,000,000.

In 1927, the total probably will exceed \$250,000,000.

The reason for this is that the average payment has been greatly increased by Congress during the recent past. Now another development impends. Coming fast to the pension rolls are veterans of the war with Spain, and their widows. As Civil War pensioners die, Spanish-American War veterans will take their places.

The prospect is that the average payment also will continue to rise. The base line has been firmly established, and there is little likelihood that it will be lowered.

Back of the thousands of Spanish-American War pensioners loom the millions of World War veterans, most of them now in the prime of life. The World War veteran has not yet appeared, save in negligible numbers, on the pension rolls. His appearance, however, is inevitable in time, and the time is not far off.

Huge Pensions Looming

FIGURE out what \$50 a month or more to each of 1,000,000 World War veterans will mean. Add to it another \$50 apiece to 1,000,000 widows of World War veterans. In the result, you will have an idea of the pension rolls that are on the way.

More than 5,000,000 persons probably will be eligible for pensions under that heading. In time, World War pensions undoubtedly will run to \$250,000,000 or more, not annually, but *monthly*.

There appears nothing in the record to warrant the belief that any part of this expenditure can be obtained by curtailing other functions of government. And the payment of World War pensions, begun in a trickle now, will continue until nearly A. D. 2050. It will begin to be felt within the next ten years and will rise until 1975. The record of other pensions supports this conclusion.

A few widows of veterans who fought in the War of 1812 are still drawing pensions from the Government. The oldest of these is now past the century mark. More than 1,000 pensioners of the War with Mexico (1845-47) are still on the roll, eighty years after the conflict. Pensioners of the Indian Wars numbered nearly 7,000 at the end of 1925. Within the memory of men now in middle age, the Government was still paying pensions to widows of veterans of the Revolutionary War. With the merits of the pension policy

the writer has no quarrel. His attempt here is to present the facts and conditions in the near future.

"Improvements" to rivers and harbors, the second item on the list of increasing routine spendings, have been popularly referred to for years as "pork." This is both unfair and incorrect. A fraction of the spendings is devoted to highly important flood control work.

More than \$1,500,000,000 has been expended by Congress since the establishment of the government in "improvements" to rivers and harbors.

Budget Bureau Overridden

WITHIN the past twenty years the annual spendings have increased rapidly. Several times in recent years Congress has overridden budget bureau recommendations and added millions to the total.

Looking over the list of harbors, rivers, inlets, estuaries, creeks and coves "improved" with public funds, one counts them into the thousands. A few years ago the list became so long that its keeping was a real burden on Treasury bookkeepers. Congress came to their rescue by lumping under one heading all appropriations to continue existing projects. Since then the list has been growing again and now is approaching its former length, the additions being new projects.

In examining the annual spendings under this head, striking discrepancies are apparent in sums appropriated for harbor "improvement." In 1913, for instance, Congress appropriated \$10,498,871 which was spent for harbor "improvements." In 1920 \$13,055,660 was thus spent, but in 1926 the spendings dropped to \$598,282.

Apparently the harbors were getting fixed up nicely in 1926, but this happy situation was entirely offset by the low estate of the rivers, so that the Treasury failed to derive any financial benefit. For where \$31,775,969 was spent in "improving" rivers in 1913, and \$38,818,270 in 1920, spendings under this heading rose to \$68,405,271—an increase of more than 75 per cent in six years—in 1926.

Thus, notwithstanding the low spendings for "improvements" to harbors in 1926, the combined spendings for both rivers and harbors rose to \$69,003,553, as compared with \$49,873,930 in 1920, an increase of 40 per cent.

A dozen years or so ago, spendings for river and harbor "improvements" had never risen so high as \$50,000,000 within a single year. Since 1920 they have not fallen so low as \$50,000,000. These spendings are slipping fast toward the goal of \$100,000,000 a year. They probably will reach it by 1935.

Among spectacular increases in recent years is the cost of maintaining the federal judicial establishment. So far as the judiciary itself is concerned, the increase has been wholly involuntary. Congress alone, in placing an ever-mounting number of new laws on the statute books, is responsible.

The Sixty-ninth Congress alone added



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more than 1,400 new laws to the statute books during its two-year life. Probably 7,000 new federal laws have been passed by the last ten Congresses. Among the results have been an expansion of the judicial establishment, a material increase in the number of lawsuits and prosecutions, and a greatly swollen annual expenditure.

The following tabulation discloses how some of the items of cost in maintaining the judicial establishment have risen since the pre-war days of 1913:

Item	Spent During the Year		
	1926	1920	1913
Salaries of federal judges.....	\$1,519,477	\$1,340,999	\$1,085,193
Salaries and fees of marshals.....	3,512,069	2,216,196	1,595,185
Salaries of district attorneys and assistants.....	2,277,803	1,847,193	1,210,220
Salaries of bailiffs, etc.....	601,853	231,493	275,734
Salaries and fees of clerks.....	1,740,999	1,071,118	243,529
Fees of Commissioners.....	516,119	280,850	116,972
Jurors and witnesses' fees, etc.	2,924,494	2,405,549	2,258,554
Maintenance of penal institutions.....	2,467,912	2,141,157	450,710
Support of prisoners.....	2,355,538	1,431,778	521,087

All told, the cost of maintaining the judicial establishment in 1913 was \$8,900,565. In 1920 it had risen to \$14,126,341, and in 1926 it was \$19,659,967.

In 1927, according to estimates of the bureau of the budget, the cost will exceed \$21,100,000.

Not a Laggard Department

WITH this rapid rise, the expenses of the Department of Justice have more than kept pace, a comparison of 1913 and 1926 costs discloses. Here is the record of the Department's spendings:

1913.....	\$1,523,068
1920.....	4,540,904
1926.....	4,345,340

From 1920 to 1926, it will be noted, the record shows a decrease amounting to about \$195,000, or about 4½ per cent. This is due wholly to curtailment in one phase of the Department's activities, the work of the bureau of investigation which, in 1920, was winding up its wartime supervision of resident enemy aliens.

Even so, the detection and prosecution of crime, with which the bureau is concerned, was more than five times as expensive in 1926 as it was in 1913. Here are the comparative spendings:

1913.....	\$ 406,084
1920.....	2,681,575
1926.....	2,231,930

Activities of the Department incidental to the war have tapered off and in some cases have ended without diminution in the cost of conducting the Department's affairs, taking them as a whole. This is disclosed in comparative spendings of the Department in 1926 and 1927.

In 1926, the record shows, the Department spent \$644,940 in investigating and prosecuting war frauds. That particular activity ended, however, in 1926. Including its cost, the Department's spendings that year amounted to \$4,345,340.

In 1927, naturally, one would expect to find the bill lightened by \$644,940, inasmuch as the war frauds investigation was no longer an item of cost. Not so, however. According to the budget bureau's estimates, the Department's spendings in 1927 will run to \$4,524,000, nearly \$179,000 more than the spendings for 1926.

Routine expenses of the Department of the Interior—spendings exclusive of pensions and the administration of Indian Affairs, including trust funds—have recorded the slowest growth of all. Here is the record:

1913.....	\$18,433,855
1920.....	22,869,517
1926.....	28,501,348

The foregoing figures do not include spendings of the Patent Office and the Bureau of Mines, now a part of the Department of Commerce. In the rise of Interior's routine spendings there is apparent a much slower rate of increase than in any other department.

Some of these routine expenses, however, are due for a spectacular upswing in 1927 and thereafter. Notably is this true in the case of the Reclamation Service, for which relatively small sums have been appropriated until recently. The congressional policy now veers toward increasing these expenditures. Budget estimates for 1927 carried a total of \$13,575,000 for the Reclamation Service as compared with actual spendings of \$3,361,378 in 1926.

The rate at which departmental expenditures have been rising recently suggests unusual possibilities soon

The Department of Labor, newest in the Cabinet, has steadily increased its spendings from its inception. This practice can be attributed in part, during recent years, to the higher cost of enforcing the immigration laws under the new national policy of restriction.

A Lusty Youngster

HERE are some of the chief items of expense, under the Department of Labor, as showing in the Treasury records:

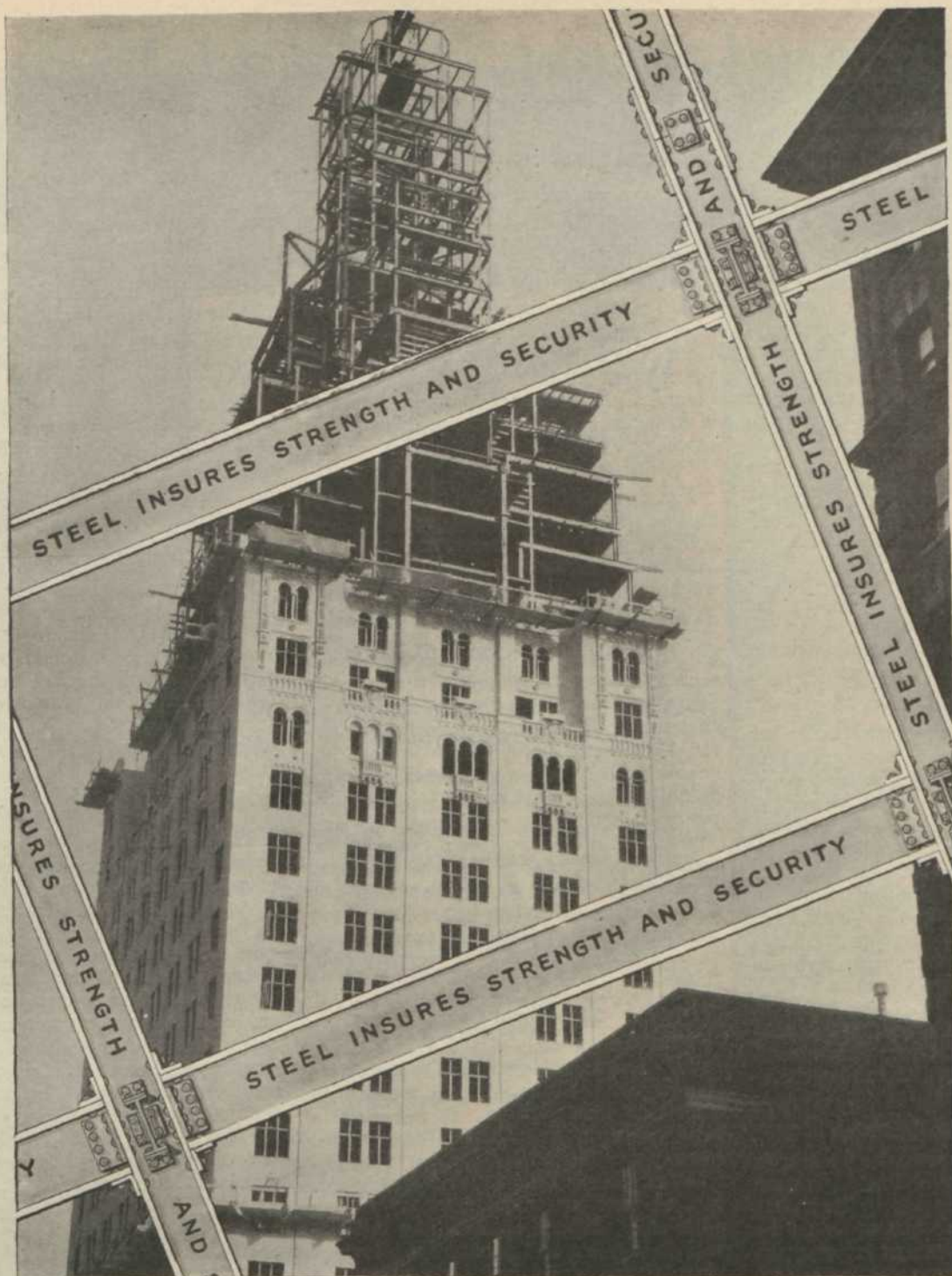
Item	Spending During the Year		
	1926	1920	1913
Office of the Secretary.....	\$632,187	\$544,104	\$16,000
Bureau of Labor Statistics.....	272,004	301,740	164,154
Bureau of Immigration.....	5,371,270	2,932,626	3,147,575
Bureau of Naturalization.....	729,652	611,324	
Children's Bureau.....	1,298,796	266,358	10,651
Women's Bureau.....	101,417	31,000	
Employment Service.....	202,570	390,485	

Two activities, it will be noted, the Bureau of Labor Statistics and the Employment Service, spent less in 1926 than in 1920. This was due to a general reduction in expenses in both cases and, to a lesser degree, curtailment of some of the activities.

Immigration and naturalization work cost about 70 per cent more in 1926 than in 1920, the increase being due to the new immigration policy, in large measure. In 1913 this work was done by a single bureau, and its cost was about 50 per cent of the 1926 cost.

Such, in their high lights, are the spending records of six routine establishments of the Federal Government. The records show that, in common with other branches of the Government, the spendings of these activities are still upward bound; that, with a single minor exception, they established new spending records during the postwar years from 1920 to 1926; and that, unless the rate of increase is checked, their demands on the Federal Treasury may reasonably be expected to total \$450,000,000 in 1927 and from \$550,000,000 to \$600,000,000 five years hence.

It may be that such increase is deemed fully warranted by the men who pay the bills, otherwise known as the American taxpayers. Maybe not.



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National Issues in the Making

By FRANCIS COPELAND

THE PASSING of a few months effects surprising changes in the temper of public discussions of national issues. Six short months ago farm relief occupied first place in political and economic thought. Since then the price of cotton has jumped nearly a third; reports indicate smaller wheat production with a relatively better price outlook; other readjustments have brought the farming community nearer a position in harmony with the general economic set-up. In the meantime federal agencies and farm finance facilities have been placed in a position to lend practical aid to areas suffering acute distress. Further steps to apply definite relief may be proposed to the next Congress by the administration with the erstwhile equalization fee extremists sponsoring the proposal. It is a striking example of the mellowing influence of time and a vindication of the policy of hopeful waiting for changed conditions. To paraphrase a well-known slogan, "what a whale of a difference a few months make."

Food and Water

If strife in the food-producing sector has been allayed the question of water surges forward with unabated turbulence. Unprecedented devastations of the Mississippi already have set all minds to consideration of means of firmly controlling the flow of that mighty stream and Congress is expected to take up the problem as one of its first tasks. Damming the Colorado at Boulder Canyon for flood protection, irrigation, water and power supplies will undoubtedly engage the new Congress as fully as the same issue in the closing hours of the Sixty-ninth. In addition, broad policies of water power control, development and distribution will be debated by champions of conflicting views.

New Line-up on Taxation

It has not been long since the Treasury's proposal for drastic reduction in income surtaxes met violent flaying by legislators who feared the general masses would be discriminated against through favoring the rich. Surtaxes have been cut materially, however, and still revenues flow in far in excess of the Government's needs. Now all groups in Congress are agreed on lightening the income tax burden of corporations and the issue in the next session will be the extent of the cut. The automobile sales tax, once a levy mainly upon the wealthier classes, now is of greater concern to the 22,000,000 automobile owners than is the 1½ per cent personal income tax. It is inescapable, therefore, that this question will figure prominently in the next effort to revise the revenue law. National debt reduction policy also may assume greater importance—whether liquidation should be expedited or spread out for future payments.

Trade Pirates and Trusts

"Good" trusts have given a better name to bigness in business. Trade associations, sanely viewing the positions of whole industries, are directing policies that lead to

efficiency, cost reduction and elimination of wasteful duplication. The Federal Government, representing the public, is nipping in the bud schemes of oppressive combinations not soundly conceived, and the Federal Trade Commission has become more of a guide and counsellor than a police force. Sentiment seems to be veering from the militant attitude which prompted the Sherman anti-trust act and many leaders of influence are advocating modification or repeal.

Tariff Talk

For decades it has been the custom to regard the tariff question as a regular political issue. Two years ago reputable forecasters predicted that this subject would engage the Sixty-ninth Congress and inject itself as a principal issue into the campaign of 1928. Such talk is still heard, but there is little animation in the discussions. The growth of manufacturing in the South has cast a new hue on thought in that sector. It has become not uncommon for Democratic Congressmen to ask increases in tariff rates on commodities produced by their constituents. General prosperity has led to a greater measure of satisfaction with the status quo. Some serious thinkers see an approaching clash on tariff principles between the agrarian west and those sections thriving better under the present tariff laws, but that outcome, too, may belong in the list of worries about things that never happen.

The World Court

What has become of the World Court issue? Less than a year ago Senators were standing for re-election on their record with respect to this question. It was made a major issue in several such cases. Now scarcely a word is heard of this still open question. Some Senators, once ardent advocates, now are acquiescent or on the other side. Private organizations still devote their talent and resources to advancement of the cause, but little newspaper space is given the matter. Some day a new President or a vastly changed Senate may revive the proposal for American participation in the Court.

The League of Nations, a post-war issue that stirred the entire country, no longer raises its head as an American issue.

Railway Combinations

The evolution of public thought on the treatment of railways has been a complete reversal. Once private and public agencies were directing heavy fire against the so-called menace of great rail combinations.

Now the public with full approval and sympathy is watching the serious effort of Congress to work out a plan for encouraging mergers in the public interest.

Where Are the Idle Ships?

Three or four years ago the great fleet of tied-up surplus tonnage of war-time government ships presented a doleful picture

of the status of American shipping. What to do with idle ships was a real problem for statesmen. Less than a year ago, however, frantic efforts had to be made to press into service all available bottoms to carry our wheat crop to Europe. Now comes the proposal for a \$200,000,000 government ship-building program to supply needed ships for the American merchant marine. Thus Congress soon will be asked to settle a question of policy which was supposed to have been settled by the Merchant Marine Act of 1920.

Passing Foreign Flurries

The last Congress adjourned in the midst of international embroilments affecting American interests in many foreign arenas. Our Marine Corps was policing Nicaraguan territory; Mexico's attitude on oil and land was forcing our Government to strong representations; a many-headed warfare in China gave Washington a multitude of worries. These storms have spent their force. Senators in the next session may deal extensively in post-mortems. One may reasonably expect, however, that new complications abroad will rise up to occupy front page newspaper space.

Naval Construction

The last Congress took issue with the President on new naval construction and adopted a building program which went beyond the recommendations of the chief executive. At that time tentative plans were being made for an international conference to agree on reduction of war fleets.

Such a conference has become a fact and out of it may come understandings between governments which will dissipate the growing sentiment in Congress for more and better warships. On the other hand, the question of land forces, quiescent since the World War, is advancing to the front and can be expected to engage Congressional minds with increasing force.

Questions for the Future

Viewing the panorama of public issues that rise, are solved, or are forgotten, one is led to conjecture the now relatively obscure problems that will move into the spotlight of popular attention. When will Canadian tariff reciprocity have its inning as a national issue? Can we soon expect water power policies as a headliner in a national election? Will changed conditions force reopening of the foreign debt cancellation question? How soon will an active fight be made to repeal the vital recapture clause of the Transportation Act of 1920?

How important will become the proposal for expanding the Panama Canal? Is the movement for repeal of the Sherman anti-trust act soon to come to a head? With the progress of aviation, what further questions as to regulation of air lines, airports, and international air traffic will become acute? Enthusiasts at the game of "Ask me another" might well seek the answers to some of these queries. The moving hand still writes "and having writ moves on," and sometimes simply moves on.

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A City That Fought Off a Boom

By JOHN DEWEY TOPPING

A BOOM is a state of affairs in which a whole community shows a surprising lack of business sense. Most growing cities go through one of these periods of financial insanity.

The experience of boom-visited cities seems to demonstrate the fact that booms follow hard on the heels of prosperity. A rising business barometer indicates their approach. Booms come, tarry awhile and vanish, leaving cities overbuilt, overestimated and underfinanced.

Yet in spite of the glaring examples of the ravages of booms there are business men who welcome these uneconomical monsters. Booms have their following in the business world. Promoters, high-pressure salesmen, "binder boys" make up the horde of professional locusts which travel with the course of these winds of overprosperity.

A Place Ripe for a Boom

DURING the early part of last year, the City of Asheville and that part of Western North Carolina known as "The Land of the Sky" were beginning to feel the elation which comes from progress in business. Annual records for more than a decade had shown growths. Industry had grown to large proportions in a section where manufacturing had previously been a minor factor; freight had doubled and tripled in quantity; new buildings had changed the whole sky line of Asheville; banks reported steadily increasing clearings, resorts surrounding the city were exceedingly well patronized and the growing population of the city had kept pace with the general advance of business.

Asheville was, in fact, fertile ground for the planting of a boom. The latter months of 1925 witnessed an unparalleled trading in lots and in real estate paper. This activity continued into the new year with a gradual rise in prices and a corresponding increase in the amount of buying of acreage and business property. This wave of purchasing grew to the proportions of a "buyers' market." Property changed hands at an unprecedented rate. Hardly a citizen but felt the urge to dabble in real estate.

Good business in Asheville drew the attention of a large number of salesmen, promoters and high financiers who had previously been doing business in various parts of Florida. These were men from the outside. They created a different atmosphere in the market. Highly decorated development offices appeared in the Asheville streets. Bus lines began to carry prospects from the city to the various land tracts. Orchestras, barbecues, dances and other attractions went along with the lots and acreage.

Western North Carolina has always been closely linked with Florida. The two sections have reciprocal interests. More than

a hundred thousand Floridians annually spend the summer months in Western North Carolina, and a great number of the Florida winter visitors pass through Asheville on the way South. This linking is also felt in a business way.

A number of the legitimate concerns already operating in Florida extended their

on the wall. A gambling spirit had crept into the market, and they were afraid of the long chances that were being taken. They preferred the conservative methods of doing business which had brought them such successes in the past. At this time the real estate activity in Florida began to slow down. There were "slump" rumors in the air. The boom advocates redoubled their efforts to create an active market in Asheville. The conservative element dug in and began to apply the brakes.

The first of May saw a general slowing down of trade in real estate in Asheville. By August the market had reached an almost subnormal level. What happened in Asheville was bound to result also in the surrounding section, as this city has always been the financial center of the entire western part of the state.

The citadel of the old line realtors was the Asheville Real Estate Board. This body was led by its president, B. Frank Gudger. When the first indications of boom propaganda appeared in the market, the Board was moved to action. The realtors had already been placed on their guard by the redoubled activity in the transfer of real estate on a paper basis. Their efforts were directed first of all against gamblers, the "binder boys."

Asheville, like Florida, was cursed by the presence of a large number of real estate speculators of this type. They came in a large part from

Florida having gained wide experience through questionable activities in that state. They descended upon Asheville at the time the buying began to gain its peak.

The first action on the part of the Real Estate Board came in the recommendation to its members that option payments be doubled in all transactions. It had been the custom for several years among the Asheville realtors to accept a binder of a small amount as a preliminary to the actual purchase of property. On a fifteen thousand deal this binder averaged about five hundred dollars and was applied on the purchase price. On the recommendation of the Board this binder became double in amount or a thousand dollars, one fifteenth of the whole amount.

The Real Estate Board followed this step with a further recommendation that all notes and other papers having bearing on a transaction be personally signed by the original purchaser. These two regulations made it difficult in the first place to purchase binders and in the second place the person taking an option on a piece of property became liable for the full amount of the purchase in case the party to whom he sold the property should fail to carry out his obligations.

The Asheville Real Estate Board had no actual power to enforce its regulations. But it wielded immense influence. Within

HERE IS the story of a remarkable American city. It didn't want a boom. It was afraid of what might come after. It preferred slower, steadier growth to mushroom activity.

Recently the State of Florida underwent a boom, and some sections are now suffering from the effects. Parts of California could tell a like tale.

Asheville checked the boom before it started, which is the wise way, for booms are a good deal like getting drunk. Once started, the drinker is quite sure he can take care of himself no matter how plain his condition may be to everybody else.

And again like getting drunk, there comes a "morning after." And that Asheville escaped.

—The Editor

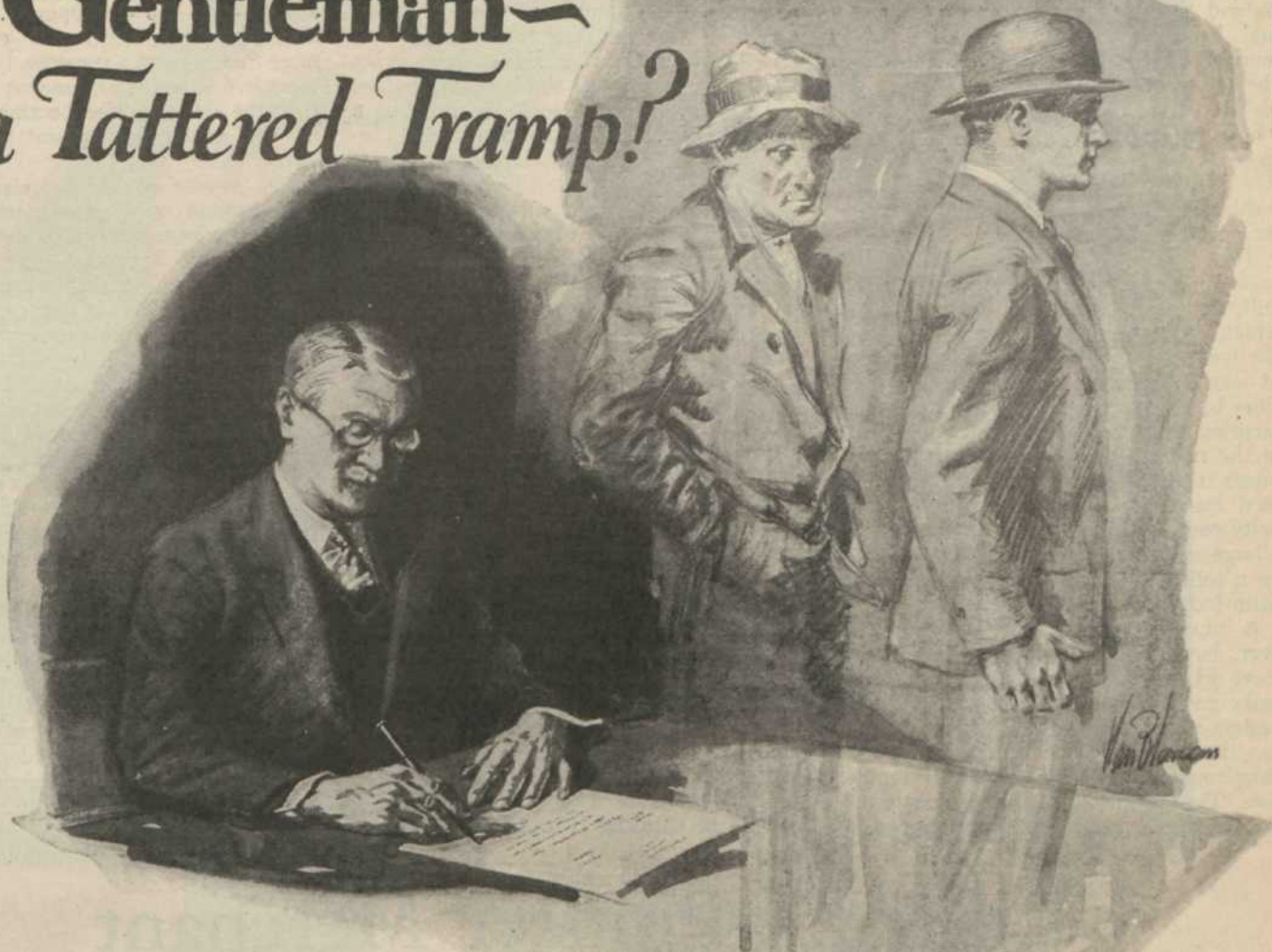
interests to Asheville. Asheville realty firms also established offices in Florida. Unfortunately this condition of affairs brought on complications. There were realty firms of the high pressure type who followed the more solid concerns to Asheville. These operators had been detrimental to Florida. They were likewise damaging to Asheville.

Soon the buying fever of the real estate market reached its highest pitch. The realtors in the market might at this time have been separated into three classes. There were the old line companies headed by men who had lived all their lives in the city, who had helped to create the greatness of the community and had pride in their handiwork. These men looked with tolerance upon the extreme liveliness of the market, but they were cautious.

There were promoters who were public spirited, who wished to create permanent additions to the city in which safe investments might be made by outside capital. And there were realtors who were merely sojourners, making the best of the good times while they lasted.

Soon there was a sharp fissure in the midst of the real estate fraternity. One of these groups was preparing to promote a real boom, a season of sky-rocketing prices and consequent prosperity for themselves. The other division, the conservative element, had seen the handwriting

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THE LINE THAT CAN'T BE MATCHED

the control of its members lay the most desirable tracts of land in the city. The members were influential in their own right. Behind them lay the power of the banks and loan companies of the city. The amount of money loaned on real estate in the city was largely governed by the decisions of the Board appraisal committee. These appraisals assisted very materially in keeping prices at a sane and fair level. The Real Estate Board was, therefore, not writing with finger in water in laying down its recommendations.

The "binder boys" were scotched by the action of the organized realtors. But there still remained an element in the field which was a decided danger not only to the real estate market itself but to the city at large. Asheville was surrounded on all sides by developments. They were big enterprises counting their capital and assets in the millions of dollars. These developments maintained elaborate offices, operated bus lines, conducted expensive publicity campaigns, and operated generally on a large scale. Most of the enterprises were on a solid foundation. Many of them remain today as creditable additions.

A number of the developments, however, hoped to ride through on the high wave of real estate buying intending to make good the promises made to their investors after they had sold enough land to pay the freight. Concerns of this sort were dangerous to Asheville's business reputation. The recognition of this perilous condition of affairs came first from far-sighted

leaders in the Chamber of Commerce. Before any serious consequences ensued from the activities of the development gamblers, the Chamber of Commerce, co-operating with the Real Estate Board and the Asheville Clearing House Association took action to protect the investing public.

The plan of action took the form of a very pointed questionnaire directed toward stabilizing the development business in the vicinity of Asheville. This questionnaire was drawn up by a joint committee of the three organizations participating in the stabilizing campaign. The provisions were designed not only to protect the interests of the investor but also those of the honest developer. On the whole, it was an admirable instrument. It is probable that no other like it in design and purpose has ever existed.

Publicity on Developments

THE questionnaire was a simple request for the facts. There was no mincing of legal phrases in it. It asked questions that the average investor would ask, "Where was the water supply?" "How would the guarantee of gas and lights be fulfilled?" "How had the development provided for paving?" facts that the committee considered the average investor had a right to know.

The questionnaire was mailed to the offices of every development. When returned with answers fully indited, copies were kept at the offices of the Chamber of Commerce, the Clearing House Association and

the Real Estate Board and were open to the inspection of the public.

Response to the questionnaire varied according to the development. The three organizations sponsoring it could do no more than request a response, but they gave the move so great an amount of publicity that the questionnaire became a thorn in the side of the development that failed to answer it.

The results of the circulation of the questionnaire were immediately apparent. Three developments which had announced intentions of beginning operations withdrew from the market when confronted with this inquisitive document. A number of the more unstable concerns rapidly lost ground as a result of it. The majority of these ultimately went out of business. Information was provided for every prospective investor. No free advice was given with the questionnaire. The investor was allowed to make his own decisions when presented with this valuable budget of knowledge about the development in which he was interested.

Following the low point of the market in August the real estate market came back to a level keel. Transfers of property became more frequent and by the end of the year a stable and profitable condition of trade was attained. Some of the more extravagantly investing realty firms were hard hit during the depression, but the legitimate trade was carried on. Not one member firm of the Real Estate Board was lost because of failure.

Life of a Pioneer Merchant

These chapters, from the life of John Wanamaker are reprinted from Herbert Adams Gibbons' "John Wanamaker," by arrangement with Harper and Brothers, Publishers.—The Editor.

III—THE FIRST CHESTNUT STREET STORE

By HERBERT ADAMS GIBBONS

THE DEATH of Nathan Brown seven years after the founding of Oak Hall deprived John Wanamaker of the partner whose loyalty and complete understanding had contributed inestimably to the success of the venture.

For some years after Brown's death Oak Hall remained the principal asset of Wanamaker, and continued to grow. From it he gained the capital that enabled him to start the business upon which his fame rests. As we have seen, it was at Oak Hall that Wanamaker fought for new mercantile conditions in the early seventies and through its advertising he blazed a new trail. But his own name he gave to a new business on Chestnut Street, founded to enable him to work out ideas that did not fit in with the Market Street business. From the experiments in this Chestnut Street laboratory, rather than from Oak Hall, grew the great store some blocks further west that extends from Market Street to Chestnut Street.

John Wanamaker & Co was established in 1869 on Chestnut Street between Eighth and Ninth. It was an expensive loca-

tion—none in the city more expensive—and it was fitted up in a luxurious style that would have been out of place at Sixth and Market Streets. Built with an open space in the center covered by a skylight, and with galleries for upper floors, it resembled on a small scale the great building of A. T. Stewart, at Ninth and Broadway, New York, which he greatly admired. Thick carpets were laid on the floors, and paintings and numerous gilt-framed mirrors covered the walls. The man in livery at the door, banished from Oak Hall, made his reappearance in front of 818-20-22 Chestnut Street.

It was a setting that the young merchant had dreamed of for years, and he stocked the new store with clothing of a kind that he had always wanted to carry, but which would not have sold at Sixth and Market Streets, where the first advertised stock was at "three dollars a suit." Custom trade was an important feature of the Chestnut Street store, and fifteen of the best cutters that could be found were employed to give personal attention to customers. The show windows, the upper part of which were of medieval stained glass, were the sensation of the day, for

the old conservative tailors of Philadelphia were opposed to display of any sort.

Wanamaker & Brown, at Oak Hall, were at

this time offering clothing "to meet the needs of every purse," and had become within ten years the largest retail clothing store in the United States. The goal of John Wanamaker & Co. was something entirely different. It was a Chestnut Street luxury shop, created to offer "the best that money could buy." Always fastidious in personal dress himself—an inherited trait—John Wanamaker wanted his name in merchandising to stand for elegance and good taste. He believed that Philadelphia was ready for this kind of establishment, and into its setting and its stock he put the ideas that had slowly been gathering in his mind and the knowledge of merchandise acquired by years of study, but based upon a background of innate good taste. It may have been of the Chestnut Street store and not of Oak Hall that A. T. Stewart, who died before the Grand Depot was fairly launched, was thinking when he told a friend that "over there in Philadelphia you have a young man named Wanamaker, who will bear watching."

Oak Hall in the early seventies had become an immense establishment, whose contract and wholesale departments on the upper floors manufactured clothing and

60% INCREASE IN SALES!

T**H****E****W**

*I*NCREASE in Thew sales is proof of users profit. That Thew Center-Drive Shovels, Draglines and Clamshells are today outstanding leaders is proved by a sales increase of 60% for the first four months of 1927 over same period for 1926 . . . and an increase of 40% over any four month period in the entire 32 years Thew has been making Power Shovels and Cranes.

THE THEW SHOVEL CO.

Lorain, Ohio

Gasoline, Steam & Electric • Shovels • Cranes • Draglines



Illustration shows
base and units
erected.—Post caps
and cornice not yet
in place.



That Business May Go On

Mills Metal Partitions for offices and factory departments exemplify the idea that business must go on. Departments cannot wait for re-partitioning with hard-to-build destructible partitions.

Mills Metal Partitions are shipped to the job in standard units. Put up, take down, move, rearrange in a matter almost of minutes and any time a department needs changing—1*, 2*, 3*—and the job is done. No dirt. No mess. No delay.

And business goes on!

Standard interchangeable units of 20, 40, 60, 80 and 100 inches. Two 40's will exactly replace one 80; a 60 and 40 will replace one 100, and so on. A standard door is 34 inches and is interchangeable with any 40-inch unit.

THE MILLS COMPANY,
900 WAYSIDE ROAD, CLEVELAND, OHIO

MILLS METAL

Mills Metal Partitions for offices, factories, lavatories, showers, dressing rooms, beauty parlors, etc. Hospital cubicles and screens.



Mills Metal representatives are located in more than fifty principal cities. Estimates gladly furnished on any job, large or small.



1
Remove post caps. Remove bolts and take a part unit by unit.



2
Set base around new enclosure and bolt to floor.



3
Assemble units, bolt posts, slip on post caps and hang doors.

!
Making Money
with Mills
Metal

Is a booklet which describes in detail the economy of Mills Metal Partitions for all purposes. Sent free.

shipped it all over the country. The business had gradually expanded until it occupied the whole of McNeille's Folly. But its retail department was inevitably becoming what Wanamaker did not want it to become—just a men's clothing store, different in policies, its owner believed, from those of other stores, but limited in its possibilities of development. The Chestnut Street store, on the other hand, enabled Wanamaker to experiment in drawing and building up a clientele that put service and quality above price—a clientele that Wanamaker could study. He allowed his associates to bother with problems of organization and meeting bills. He himself did the buying and the advertising and set the stage.

Innovations in the Store

THE best advertisements for John Wanamaker & Co. were the Chestnut Street windows and the location—facts which gave the owner furiously to think. The experiment of creating a luxurious interior proved, too, an excellent drawing-card. Constant thought and study, and the changing tastes of the times, influenced Wanamaker to tone down the interior decorations and to concentrate more on the made-to-measure rooms. Here customers had to wait; and here piece goods were displayed, not in cases under glass and presided over by an alert salesman, but thrown out on tables with artistic carelessness. On the tables Wanamaker placed suitings that he thought would sell themselves better than they could be sold to the particular clientele he was studying. The result exceeded his hopes. John Wanamaker & Co., by sheer merit of goods and by adroit display in the windows and within the store, was winning customers every day.

This did not mean that Wanamaker folded his hands and waited for the business to grow, or that he was satisfied with the sales records. Like Oak Hall, the Chestnut Street store was making strides forward because its proprietor was studying and working all the time. He enjoyed the effort. He once remarked that nervous troubles did not occur from overwork, but from the failure to strain every nerve all the time. "If you keep your nerves exercised," was the tenor of his thought (we have not the exact words), "they'll be like exercised muscles and bear well the unexpected load when it is thrust upon them."

In the store book of Wanamaker & Brown, published in 1876, just before the Grand Depot opened, we read at the end, under the head of "postscript":

The elegant Tailoring House of John Wanamaker & Co., on Chestnut Street, adjoining the Continental Hotel, is a part of the business of this House. The Merchant and Tailoring Department for making of goods to order has no superior in Paris, London, or America.

Oak Hall and the Grand Depot did not take all Wanamaker's time after 1876. Until he turned the store over to his brothers his interest in 818-20-22 Chestnut Street remained keen and vital, and in 1881 we find in his own handwriting figures to show that its business amounted to more than a million dollars a year. On the premises were 200 employees, and 600 more

were in the workrooms. The Chestnut Street store was a triumph in merchandising ability. Among Philadelphians it established as Oak Hall could never have done, John Wanamaker's reputation for taste and quality of merchandise, and in the merchant's own brain it planted the idea and gave the inspiration for the "new kind of store."

In 1869 Wanamaker wrote that he had had no vacation since he went into business for himself. That was eight years before. Going back three years earlier still, to 1858, it seemed as if he had been strenuously at it for eleven years, in Philadelphia all the time, Sundays and week-days, with the exception of buying trips to New York and the occasional Y. M. C. A. conventions, at New Orleans in 1860, at New York City in 1861, at Saratoga Springs in 1863, and at Buffalo in 1868.

If he had not enjoyed his adventures in building up a Sunday school and a business he would not have stuck to them the way he did. Only a distorted and superficial view of life makes it possible for men to extol the virtue of enduring hardness as the transcendent factor in success. Finding congenial work and having a zest for it are more important than industry. The spur to getting ahead in the world is dissatisfaction with one's own achievements and not with the work to which one has put his hand.

The first decade of business, as we have seen, took the young merchant through the Civil War and its aftermath of prosperity, culminating in the launching of the Chestnut Street store. He had passed through periods of anxiety and perplexity in his business, and had weathered the loss of his partner and the financial crisis precipitated by Jay Gould's Black Friday. He had suffered the personal humiliation of rejection from military service when shouldering a musket seemed to him the first duty of every young man. During the last year of the war his third son, Horace, died in infancy; and his oldest daughter, Hattie, was taken at the age of five in 1870.

Studies Old World Styles

WANAMAKER'S ambition to become a master merchant, leading the field because of the unsurpassed quality of the goods he offered for sale, demanded better acquaintance with woollens and more thorough study of them than he had yet made. After opening the Chestnut Street store personal acquaintance with English markets became imperative. A large measure of his success lay in the fact that he was his own buyer, and he knew that the next step was a trip to Europe. He did not see how he could take the time. No man running a business ever does! But could he keep the place he had won as a seller of men's clothing, and go ahead to bigger things, unless he added to his activities periodical visits to the centers that set the standards for qualities and styles in his line of merchandising? It was the logical answer to this question, and not the desire or need of a vacation, that started him across the Atlantic and made ocean voyages a part of his life for forty years.

The first trip to Europe came after an



This group indicates the variety of recent Stone & Webster building work at home and abroad. The buildings are for the Jefferson Hospital, Philadelphia, The Exchange National Bank, Tampa, and The Western Union Telegraph Company and associates at Fayal, Azores. We offer an experience of 39 years in the construction, reconstruction and extension of steam power stations, water power developments, transmission lines, industrial plants, office buildings and miscellaneous structures.

STONE & WEBSTER

INCORPORATED

Boston, 49 Federal Street
New York, 120 Broadway
Chicago, First National Bank Bldg.

San Francisco, Holbrook Bldg.
Pittsburgh, Union Trust Bldg.
Philadelphia, Real Estate Trust Bldg.



The This vast system serves the NORTHWEST

SHORTEST AND
MOST MODERN ROUTE
TO THE
PACIFIC AND THE ORIENT

IN THE Northwest, reaching from the Great Lakes to the warm slopes of the Pacific, we have today the startling spectacle of Twentieth Century industry and civilization suddenly crowding upon virgin country and pioneer settlement.

Deep ruts of wagon trains still mark the prairieland that is being plowed and harrowed by multi-unit mechanical monsters. Enormous rivers wind for hundreds of miles through open reaches, though huge power plants are already harnessing their colossal might. Humming giant electric locomotives have conquered the mountains. Broad shining cities send the pinnacles of their skyscrapers high against mountain backgrounds of primeval forest.

The Northwest—roughly one-fourth

the area of the United States!—is the roof of the continent. It is the birthplace of rivers whose waters reach the Japan Current, the Gulf of St. Lawrence, Hudson's Bay and the Gulf of Mexico. The Mississippi rises here amid green lush hills. The mighty Missouri is born in a broad sweet valley rimmed with mountains of jade and frosted silver. The brawling Columbia roars down from glacier-crowned mountain peaks.

Corn, the golden gauge of civilization, is sweeping far out upon the plains. Wheat is flooding the open prairie and the fertile benchland. The mountains are gorged with an inestimable wealth of minerals. Washington alone has enough coal to supply the Nation for 126 years. From one pocket in the Rockies two billion dollars' worth of copper and allied minerals have been extracted. The Northwest is a region of bewildering diversity whose resources have only been lightly touched.



MILWAUKEE ROAD

THE DEVELOPMENT OF THE NORTHWEST has depended almost entirely upon the railroads, over which a ceaseless torrent of people and raw materials and manufactured commodities pour. They are the highways of this region.

The picture map gives only a sketchy idea of the vast extent of the Chicago, Milwaukee & St. Paul Railway. The pioneer of the Northwest has a system today of over 11,000 miles, forming a network that spreads from Chicago to Kansas City, Omaha and Sioux City; to Milwaukee, Upper Michigan Peninsula, Minneapolis-St. Paul; and to Spokane, Seattle, Tacoma, and the Olympics.

For 660 miles across four great ranges—the Belt, the Rockies, the Bitter Root and the Cascades—*The Milwaukee Road is electrified with power drawn from swift rivers*, the most modern achievement in railroading.

Milwaukee passenger cars are now being equipped with roller bearings—a

revolutionary improvement first adopted by this road.

In rolling equipment, too, The Milwaukee Road keeps the lead. Its great limited trains are internationally famous. Among the most notable are *The Olympian* and *The Columbian* running between Chicago and Seattle and Tacoma; *The Pioneer Limited*, between Chicago, Milwaukee and the Twin Cities; *The Arrow*, between Chicago, Omaha and Sioux City; *The Southwest Limited*, between Chicago, Milwaukee and Kansas City; *The Pacific Limited*, between Chicago and San Francisco. An army of 60,000 trained employees operates The Milwaukee Road.

Most diversified of routes

This is the logical route for your trip to the Pacific. Most varied. Most beautiful. And here you see the restless genius of the American people in the last tremendous surge across the continent to the nearest point of contact with the Orient.



Chicago, Milwaukee & St. Paul Railway
Room 884, Union Station, Chicago, Ill.

Make a check before the region that interests you. We have the closest co-operation with Chambers of Commerce and other business organizations who will supply you with detailed information.

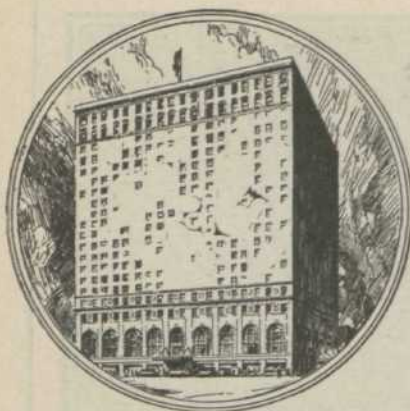
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| <input type="checkbox"/> Puget Sound | <input type="checkbox"/> Eastern Dakotas |
| <input type="checkbox"/> Inland Empire | <input type="checkbox"/> Omaha—The Western Gate |
| <input type="checkbox"/> Industrial Montana | <input type="checkbox"/> Minneapolis-St. Paul |
| <input type="checkbox"/> Kansas City | <input type="checkbox"/> Wisconsin |
| <input type="checkbox"/> Agricultural Montana | <input type="checkbox"/> Iowa |
| <input type="checkbox"/> Upper Missouri R. Valley | |

Name _____

Street _____

City _____

5-H



Detroit's Best Hotel

Where Luxury is Home-like

**Rooms Are Larger—
Food is Better—and
Rates Are Incomparably
Advantageous.**

The home-like atmosphere which is characteristic of the Detroit-Leland, is carried out not only in the far larger rooms it provides, but in the beautiful and livable furnishings and fittings, and the delightful decorations, which are individual and not repeated in any two rooms on the same floor.

A feature that must appeal to sales travellers is the large sample rooms—all outside so that goods may be shown under natural light—some with two and others with three large windows, in-a-door beds and large bath and shower.

With all these advantages the Detroit-Leland prices for rooms and food are so moderate that good judgment must approve.



Larger Bedrooms 85% priced
from \$3.00 to \$5.00

700 Rooms with Bath

**The DETROIT-LELAND
HOTEL**

Cass at Bagley, Detroit, Michigan

Direction Continental-Leland Corporation

Larger Sample Rooms
from \$5.00 to \$8.00 per day

experience that indicates the importance he attached to English woollens in the success of his Chestnut Street business, and gives us an intimate glimpse of his daring and vision, and of the risks he took to make the Chestnut Street store the leading Philadelphia establishment in quality goods.

Shortly after he branched out to Chestnut Street, Wanamaker was offered by A. T. Stewart & Co. English woollens manufactured in America. Stewart was sales agent for a firm that had come over from England, bringing its machinery and weavers, and had set up a factory that was turning out a higher grade of American-made cloth than had ever before been on the market. Wanamaker promptly decided to take all the goods this factory produced, giving Stewart notes falling due in from six months to two years. When the time was approaching for the first of these notes to be met, he realized that he was not going to have the cash in hand. He was told that A. T. Stewart & Co. were alarmed about the account, and were quietly investigating his business, the expansion of which they believed to be unsound. The strain of setting up the new venture and of Hattie's illness had told on Wanamaker, and he wrote a letter that drew forth a remarkable answer.

The response of A. T. Stewart's partner tells its own story:

Broadway, Chambers and Reade Sts.,
New York, May 2, 1870.

My Dear Wanamaker:

Your letter of the 30th ult. gave me quite a surprise this morning. After I had read it, I said to myself "what a serious friend this is. I wish he had twenty-five years more of battle for credit and position on his head. Then he could join me in my laugh."

My good fellow, you must have worked hard last week, and Saturday night is a very bad time to write a letter. You will feel more cool and independent on Monday morning, and I do not doubt will tell John Wanamaker, if you know him, that you do not care a fig for A. T. Stewart & Co. or anybody else, that your credit is good enough, that you are able to take care of it, in spite of all the lies that the devil may get into line to do their dirty work under his generalship. Now, friend John, to reply to your standpoint, firstly, A. T. Stewart & Co. have not requested any investigation into the matter you refer to, do not know anything about it, and do not care particularly anything about it so far as they are concerned, and you should feel the same way. It is about time that John Wanamaker

should laugh at all and every one of these stories, be they true or false, either ought not to make any difference to him; if your stout heart and strong arm (under God's providence) has placed you where you are you need not let such trifles trouble you now.

There are two classes of equally dangerous and annoying kinds of vagabonds, that we have to daily come in contact with. Those who spend all their time, generally stealing it from somebody, to tattle the little lies that the devil makes sure that they are kept supplied with. The other a class of goodly persons who are simple hearted and believe all the tattle they hear, and confidentially go around to unburden themselves and load up those that the devil can tempt to waste their time upon them. They both come under the classes of the knaves and fools. The first robs you in cold blood, the other sets your house on fire and says he did it only in sport; don't waste any time on either. It's my way with all such. I generally ask them to be so kind as to write me a letter covering all the points and which, as you may judge, I never get, as such people seldom dare to write what they are very willing to tell, as in the one case they could lie out of it and in the other they would find their signature against them.

In regard to your obligations, I do not know whether you owe us six thousand or sixteen thousand, and it makes no difference which. I was not advised that any of your goods were undelivered. The last I knew about a large purchase made some time since was that they were to be stored in Philadelphia subject to your orders. Be assured, my friend, on all these matters and keep quiet.

Yours very truly,

WILLIAM LIBBEY.

Libbey was as good as his word. Wanamaker's notes were carried without question. A. T. Stewart & Co. backed him to the limit, then and later, never questioning his standing, even during the panic of 1873.

The 1871 trip was made on the Cunarder *Scotia*, an old side-wheeler, which was as different from the palatial steamers of today as Oak Hall was different from what everyone in Philadelphia calls simply "Wanamaker's."

Leeds was the first stop after landing in Liverpool, where Wanamaker and Lowrie were guests of woolen manufacturers, who took them through the mill district. It was an historic occasion in the Wanamaker business, for it marked the first direct purchase abroad. Fifty thousand dollars was put into fine tweeds, which Wanamaker took back with him.

Placed on sale at the fall opening of the Chestnut Street store, the offering of these goods was the beginning of a new era in John Wanamaker's career.

(Copyright, 1926, by Rodman Wanamaker)

Our Day and Age

TWENTY years ago, while he was a sophomore in college Ralph Le Roy Nafziger received a telegram from home that his father had failed for all he owned. The failure was in a baking plant—then as well built and financed as the baking craft called for. The total value of the plant was \$3,500.

Recently Mr. Nafziger, who had rushed home to save the family situation when his father failed, bought twelve modern plants in his father's own line and it took \$10,000,000 to swing the deal. In those twenty years young Nafziger had grown in financial responsibility half a million a year.

How it happened gives a fine glimpse of the miraculous age of industry in which we live. In his father's plant a mere shed furnished shelter for labor, and labor by hand did the baking. Capital was almost out of that craft—it could not be used. But scientists took hold and found better bread could be made in plants manufacturing their own weather. This called for steam heat

and refrigeration, thermostatic control and cork-lined walls. Here was a call for capital.

Inventors built machines to mix, mould, round, and proof the dough. Here capital was called in again. An inventor completed an oven that would bake as much bread per day as 36,000 housewives or 4,000 soldiers in the field. It called for a million dollars per plant in and of itself.

Presently capital had swiped the whole job off labor. No hand touched modern baking, save the hand that pressed the push button. Nafziger had dreamed of becoming an engineer. Thwarted, as he thought, he became a baking engineer and built up one plant after another until he was able to sell one chain of nine in 1924 and buy another chain of 12 in 1926 with a ten-million-dollar company to operate it. No harm came to labor when capital swiped the job, for the army of laborers disappeared in the World War and the gates of Ellis Island shut out new recruits, once the war was over.

Hand to Mouth

Buying affects every business man

Hand to Mouth Buying affects the income of business men interested in the New York Metropolitan Market—whatever their particular responsibility. It means more calls for the salesman, higher sales costs for the sales manager, higher distribution costs in general . . . unless sound short cuts can be found.

Hand to Mouth Buying is a fact. Business men recognize it must be solved, not just debated. Merchants have learned this way of conserving their capital, increasing their actual profits through decreased stocks and faster turnover.

The progressive, successful merchant favors the manufacturer with distribution services to meet these new buying habits . . . distribution services that are flexible and quick . . . practically emergency services in many instances . . . distribution services that will prevent his losing sales by being "out of stock," when the "call" comes.

Bush Distribution Service pre-

BUSH DISTRIBUTION SERVICE

1. Freight cars taken over from any railroad and carefully unloaded at Bush Terminal and merchandise placed in special service rooms.
2. Merchandise checked and entered on Bush inventory forms and duplicate acknowledgments issued. Shortages, damages and other irregularities immediately reported.
3. Special inspection of merchandise conducted upon request, involving unpacking and repacking of any type of commodity.
4. Immediate release of merchandise upon delivery instructions, seven copies of each order being issued for efficiency.
5. Automatic stock records posted for withdrawal of each unit of merchandise . . . and monthly summaries issued of total withdrawals and stocks on hand.
6. Delivery of merchandise to any point in greater New York in shortest time possible.

vents such unnecessary losses . . . delivers merchandise exactly when and where needed. In one day this great machine has moved speedily, efficiently and economically one million pounds of merchandise . . . every imaginable kind from unwieldy furnaces to small oil burners, from electric refrigerators to radio batteries.

Every conceivable size, shape and weight of article is handled deftly by experts picked and trained for their extreme skill . . . servicemen proud of the part they play in this smooth running machine where the importance of individual initiative and teamwork is recognized.

Bush Distribution Service assures the smallest and the largest order equal consideration, equally careful routing, and equally prompt arrival at their destination.



BUSH TERMINAL CO.
Distribution Service
New York

Bush Terminal Company
Distribution Service—Dept. A-2
100 Broad St., New York

You may send me, without obligation, your booklet, "Distribution Perfected."

Name.....

Firm.....

Street.....

City.....State.....

What the World of Finance Talks Of

NO GENERALIZATION about business in the United States

By MERRYLE STANLEY RUKEYSER

during the first half of 1927 will stand without abundant explanatory footnotes.

And yet, in spite of the continued grumbling heard in Pullman cars and other present-day forums, another half year of gigantic volume has gone into the pages of history.

With commodity prices continuing to drift lower, the buying power of consumers has been unprecedentedly large. Though the public shows a tendency to discriminate and to seek genuine values, the demand for attractive merchandise seems insatiable. Wants have proved wondrously elastic, and have expanded in accordance with the increasing productive capacity of American factories, which have been speeded up in accordance with the new gospel of mass production.

The ancient economic squabbles, based on disagreements over the division of the spoils, have been relegated to the background. No shortages stalk the economic highways, and inevitably condemn multitudes of common folk to penurious living. Instead, the country is confronted with solving the problems of plenty. Viewed from the standpoint of the country as a whole, America is "sitting pretty"—the predominant economic factor in the modern world, supported by half the world's gold supply, backed by primacy in raw materials and in manufacturing and distributive technique.

Though far from perfect, the productive machinery of the country is performing more efficiently than ever before in the past. There is no visible evidence of the niggardliness of nature. On the contrary, the outstanding business problem is to hold the productive machine in check, and prevent it from glutting the markets with unwanted merchandise. The prolonged period of current prosperity is a tribute to the skill with which business management has attuned output to effective demand. It is evident that the major business strategy has shifted to the selling side. The present job of business is to make the ultimate consumer continue to want goods in larger quantities than in the past. Advertising and merchandising prowess are at a premium.

And yet the manufacturing genius has not been sidetracked, for current experience has shown that perhaps the best selling argument is the price appeal. Consumers favor industries and enterprises that have succeeded in giving better values for less money than in the past. Thus far, the automobile industry, for example, has averted buyers' strikes by progressively giving better products for less money. The appeal thus far has been irresistible. Likewise, the power and light industry, by rendering service at or below the pre-war figures, has been encouraging the plain, everyday folk of the nation to demand and pay for 10 to 15 per cent more current every year. On the other hand, trades and industries, including some of the apparel

and footwear trades, which seek larger margins of profits, blockade buying demand with relatively high prices.

Success in the first half of 1927 has gone primarily to enterprises which have made their profits not out of high prices, but out of more efficient management. The dominant concerns have saved something out of gross for net income by eliminating waste, by further reducing inventories, by simplifying their lines, and by further economies resulting from an increased volume of production.

These observations help to interpret the paradoxes in the business world. They explain the two-sided stock market, in which during most of the first half of the year the dominant leaders climbed to unprecedented summits, whereas the less favored concerns at the same time dropped to new low levels. The selective character of the stock market paralleled a similar cleavage in the world of trade. In the peak prosperity of some enterprises and industries and in the declining profit margins and heightened business mortalities among others, the country has been witnessing some of the rewards and casualties of the new and heightened competition.

With apologies to the good commonwealth of Tennessee, it appears that Darwinian doctrine has been ruthlessly at work in the realm of barter. Falling commodity prices, huge productive facilities, abundant credit resources, and a demand on the part of consumers for real values have facilitated the process of natural selection. The survival of the fittest is the compensation for competence in management.

Parenthetically, this process has been strengthening the fiber of American business, and better preparing American units for the looming heightened international competition. As Europe recovers from the war—as it is now doing in a conspicuous manner—it will find that it must compete in foreign markets not with the America that was spoiled by the easy prosperity of the war and post armistice inflation periods, but with dominant enterprises that have been steeled in the fiercest period of orderly competition which the country has ever faced.

SPECIFICALLY, how have business profits been affected by the character of the current competition?

In the first quarter of 1927, 231 industrial concerns, including the United States Steel Corporation and General Motors, reported an aggregate net income amounting to 284 millions, which is 1.3 per cent greater than in the corresponding period of 1926.

However, 229 industrial concerns, excluding the United States Steel Corporation and General Motors, reported an aggregate net income of 185 millions, or 4.6 per cent less than in the first quarter of 1926.

Twenty-eight public utility enterprises reported an aggregate net income of 62 mil-

lions, or 10.7 per cent greater than in the first quarter of 1926.

Of the 259 individual industrial and utility concerns under consideration, 139 reported larger net income in the first quarter of the current year than in the first three months of 1926, whereas 120 reported smaller earnings.

These summaries are based on studies made by the Standard Statistics Company, of New York, which, incidentally, forecasts that the aggregate net income of the utility concerns for the first six months of 1927, when the reports are available, will show about a 10 per cent gain over the first half of 1926. On the other hand, it estimates that the aggregate net income of leading industrial corporations (excluding United States Steel and General Motors) will run from 8 to 10 per cent less than in the first half of 1926.

From the study of the foregoing companies, the statistical agency found that the trend of profits during the first quarter of 1927 was upward, compared with a year ago, in the following industries: industrial chemicals, cotton goods, food products, leather tanning, miscellaneous manufacturing and services, office and business equipment, tobacco products, and utilities. On the other hand, the trend was downward in these lines: automobiles and trucks (if Ford results are included), automobile accessories, coal and coke, copper and brass, lead and zinc, machinery and machine equipment, oil producing and refining, radio, railroad equipment, steel and iron.

And in the following trades, the profit trend was irregular: building equipment and supplies, household products, miscellaneous mining, retail trade, silk goods, theaters, and motion pictures.

THE FOREGOING statistical details support the assertion that current business must be described with an abundance of footnotes. The aggregate volume of business, as measured by car loadings and bank debits, is tremendous, and yet the condition of individual industries and enterprises varies enormously. In all except the oil industry, where a deluge of new petroleum has demoralized the market, 1927 thus far has proved a good year for the leaders, and a rather harsh one for the laggards, which during times of inflation flourished by swimming with the economic tides.

IN ATTEMPTING to visualize how far the trend toward greater efficiency in business can go, it is well to look forward rather than backward. The goal, which will be approached, but never attained, will be to eliminate all resistances and wastes—including the conflict between management and workers, between scientific method and tradition, and between venturesomeness and ultra conservatism.

THE AIRPLANE, which at length is come of age in an economic sense, will make business in the United States still

Just What Does a Damaged Shipment Cost?

The replacement price of the damaged merchandise you say. But is that all?



He Knows Packages

Expert Package Engineers—40 of them—laboratory schooled and factory trained will give you the benefit of H & D's 23 years of studying, designing and building boxes—will design for you a package to fit the particular needs of your product, to carry your product with more safety and at minimum cost. A visit from one of them involves no obligation on your part. Write today for our book "How to Use H & D Free Service." It tells the whole story.



HOW about the cost of the correspondence that the adjustment requires? The time your employees have to spend in checking that particular shipment to ascertain the cause of damage? The bookkeeper's time in entering credits and debits to balance the account? The shipping charges on the returned merchandise and the shipping charges on the new merchandise sent in replacement? And more important, the effect of the delay on your customer—particularly if the shipment was wanted in a hurry?

Small items, maybe, all of them. But in the aggregate they mean real money losses—in needless clerical salaries, in cost of damaged merchandise, in customer's good will and possibly in customer's business, for delays and trouble may lose a good account.

Thousands of shippers are eliminating these needless profit-reducing expenses—are standardizing on H & D Corrugated Fibre Shipping boxes, because they have learned the real cost of damaged shipments. You, too, can increase your profits by using them.

THE HINDE & DAUCH PAPER CO.
304 Decatur Street - Sandusky, Ohio

H&D

HINDE & DAUCH CORRUGATED FIBRE SHIPPING BOXES



THE HINDE & DAUCH PAPER CO., 304 Decatur Street Sandusky, Ohio
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Representatives at any of our offices will assist you—in person or by mail—if you will submit a list of your holdings to them.

HORNBLOWER & WEEKS

ESTABLISHED 1888

BOSTON NEW YORK CHICAGO CLEVELAND
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more liquid, according to Charles L. Lawrence, youthful president of the Wright Aeronautical Corporation, who told me that, when the freight air routes already projected are in operation, business men will be able further to cut down inventories, and duplication of plants—because every part of the country will be brought far nearer in time to the central works. Radio and airplane will reduce the danger of being without necessary parts in times of emergency. Mr. Lawrence believes the immediate future of commercial aviation in the United States—which incidentally is only two years old—is in the carrying of mail, express, and freight, rather than passengers, who will be a by-product. The immediate necessity, Mr. Lawrence feels, is to develop a recognition on the part of business men of the utility of a swifter transportation service. He feels that air express will be particularly useful for emergency shipments, for the transportation of security circulars which must inevitably be distributed in a hurry, and also for the distribution of national magazines which can thus cut the time between going to press and being read.

Charles A. Lindbergh's epic flight has lifted commercial aviation from the laboratory of trade statistics to the plane of common acceptance in the popular imagination. In another year, according to Mr. Lawrence, American commercial air routes will be covering more mileage each day than all the other commercial aviation lines in the rest of the world. When and if that time comes, American business can cease apologizing to the Wright brothers for its apathy toward this product of American inventive genius.

Incidentally, Leopold Frederick, former lieutenant of the Guggenheims and one of the best informed financial minds in New York, told me that he believes the airplane will complete the transfer of financial power from London to New York. Although New York has jumped into primacy in foreign bond underwritings, Mr. Frederick concedes that London is preeminent in financing short-term ordinary commercial transactions. Thus, like Hartley Withers, British economist, Mr. Frederick in part—but only in part—concurs with the assertion of Winston Churchill, British Chancellor of the Exchequer, and England is still the predominant financial nation.

Mr. Frederick, who a decade ago was a pioneer in visualizing the future of dollar exchange, remarked that London still has two marked advantages. The first, he said, is geographic, and springs from the fact that London is far nearer the center of world trade than New York. "If Lindbergh's flying time across the Atlantic," said Mr. Frederick, "can be cut in half, London will lose this advantage. The airplane will make New York the unquestioned center." The second advantage that London still enjoys, he said, was the skill and experience of its bankers in financing foreign trade. However, he added that the younger generation of American bankers have shown great aptitude in learning this new field of banking.

Mr. Frederick believes New York is approaching the peak of its foreign lend-

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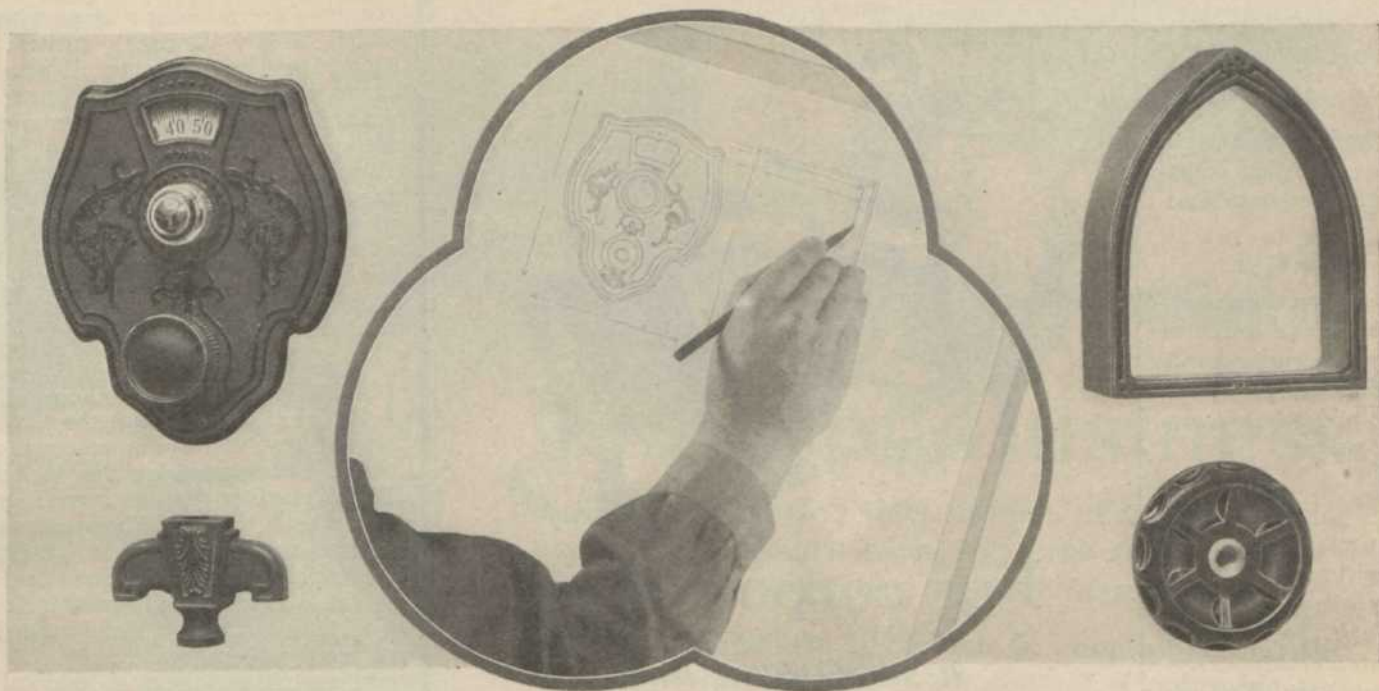
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EST. 1890
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The Equitable acts in the following corporate trust capacities:

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As trustee under mortgages and deeds of trust, securing bonds of railroad, public utility and industrial corporations.

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As transfer agent and registrar of stock. (In the transfer of even a single share of stock there are thirty-five separate steps. Each one of them is vital to a proper transfer; if a single error is made, confusion, loss of time and expense will result.)

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[4.]

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[5.]

As assignee or receiver for corporations under action for the protection of creditors.

[6.]

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Without incurring any obligation, consult the nearest office of The Equitable with regard to any of the services rendered by our Corporate Trust Department.



For corporations a safeguard and an economy

By making The Equitable its dividend disbursing agent, a corporation relieves itself for all time of a periodic burden which demands the time and attention of a large part of its clerical staff at regular intervals, frequently disrupting the regular routine of its office besides making itself liable to costly errors.

In placing dividend disbursements in our hands a corporation really employs, just for the periods necessary, a clerical force trained in this work, and operating under a carefully devised system which effectually eliminates the errors that often occur when such work is attempted by those ordinarily occupied in other duties.

Read the column at the left.

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BALTIMORE: Keyser Building,
Calvert and Redwood Sts.
ATLANTA: Healey Building
CHICAGO: 105 South La Salle St.
SAN FRANCISCO: Financial Center Bldg.

LONDON · PARIS · MEXICO CITY

Total resources more than \$475,000,000

© E. T. C. of N. Y., 1927

ing, inasmuch as the stronger European countries are reaching a stage where they will be able to finance a greater part of their current requirements. When the turn comes, the financier believes, there will be a scramble on the part of Americans for European common stocks, and he thinks that much money will be lost in the process. It would be the part of wisdom, he holds, to acquire the common shares of only the strongest companies, and he recognizes the need of first hand knowledge of the character of European industrial and financial management.

IN COMMENTING on the boast of the British Chancellor of the Exchequer, Mr. Withers, who was an economic advisor to the Treasury during the war, says, in *The Executive*: "If the world's financial center is the place which invests the largest amount of money in foreign countries, there can be no doubt, according to the published figures of the matter, that that position has already been wrested from London by New York. . . .

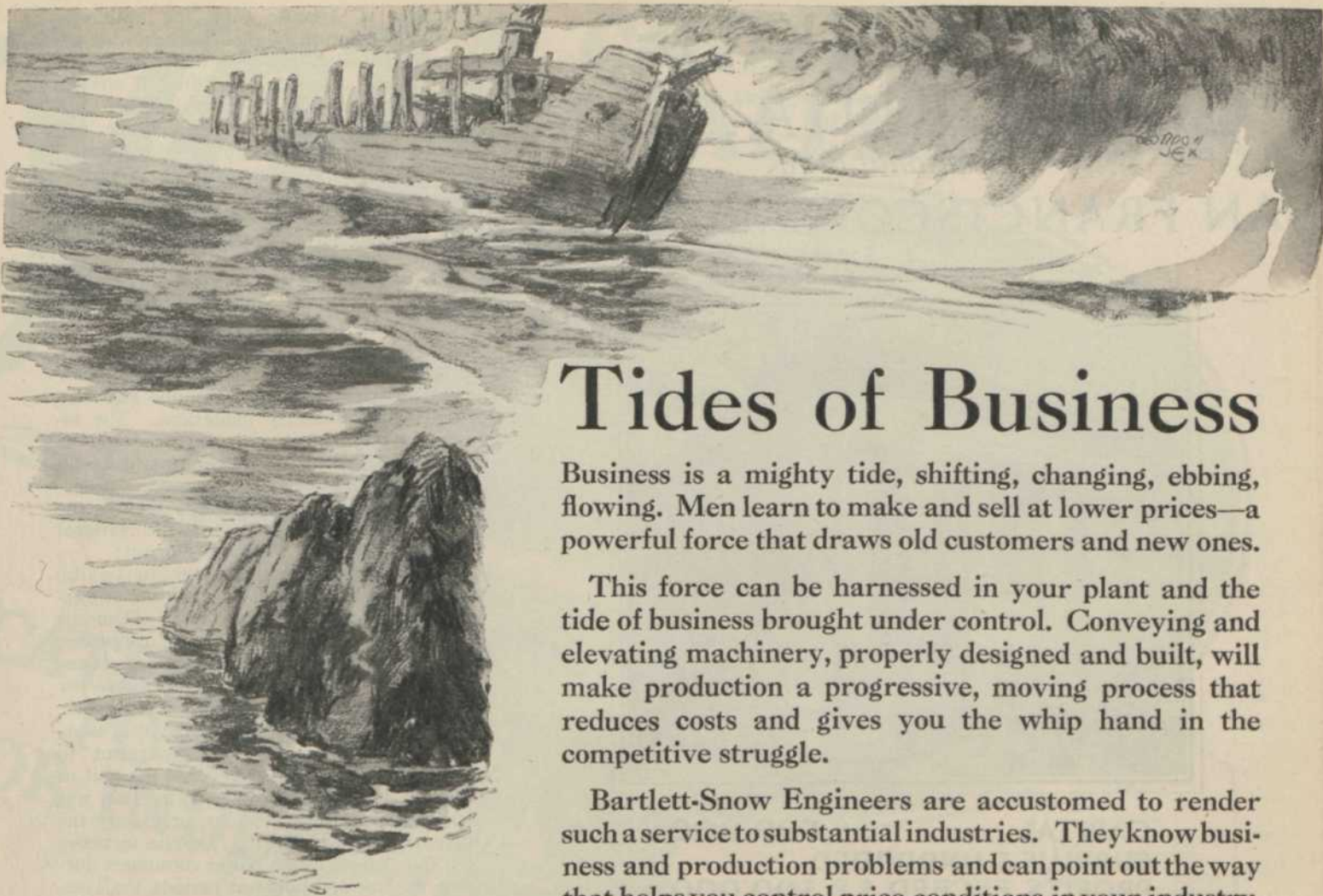
"There remains the more technical aspect of the question, if we consider the financial center to be that which does the greatest amount of the financing of the movement of commodities from one country to another by means of short credits and the drawing of bills of exchange. In this respect London can still put in a claim to be the financial center of the world owing to the variety and volume of the trade financing which it carries out by these methods. . . .

"Ultimately, however, financial predominance must surely rest with that country which, by means of a surplus of production, is able to accumulate capital most rapidly and lend it to the rest of the world."

FALLING commodity prices tend to be helpful to those industrial concerns which sell their products at fixed rates—and also to public utility enterprises. The F. W. Woolworth Company has flourished to an unprecedented extent thus far this year. I discussed the reasons for the rising tide of earnings of the five and ten cent store chain with Hubert T. Parson, who succeeded the founder as president of the chain.

"We are able to give the public better value than ever before," the man who entered the employ of the Woolworth Company thirty-five years ago as an accountant, answered. "This is the effect of our following Secretary Hoover's directions along lines of simplification. We have reduced the number of items carried in our stores from 4,000 to 3,000 and have concentrated on our best selling items, assuring quicker turnovers and fresher merchandise. Moreover, under the new system our stores are better able to display merchandise on which they are concentrating. Furthermore, the factories which work for us effect new economies of mass production and specialization and the gains are passed along to the consumer in the form of better merchandise for the same money."

LEADERS of the power and light industry, who recently held their annual con-



Tides of Business

Business is a mighty tide, shifting, changing, ebbing, flowing. Men learn to make and sell at lower prices—a powerful force that draws old customers and new ones.

This force can be harnessed in your plant and the tide of business brought under control. Conveying and elevating machinery, properly designed and built, will make production a progressive, moving process that reduces costs and gives you the whip hand in the competitive struggle.

Bartlett-Snow Engineers are accustomed to render such a service to substantial industries. They know business and production problems and can point out the way that helps you control price conditions in your industry.

THE C. O. BARTLETT & SNOW CO.

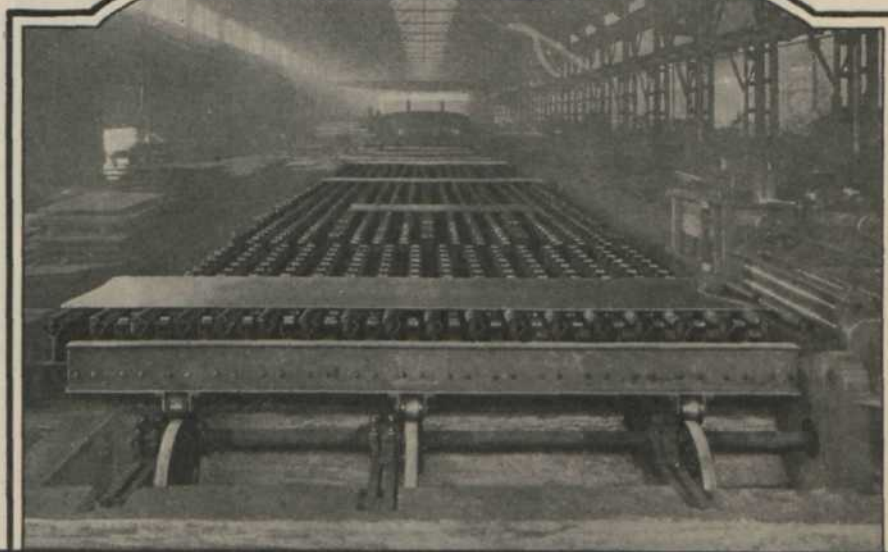
6500 Harvard Avenue, Cleveland, Ohio

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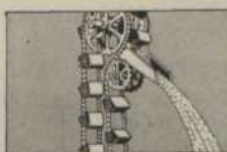
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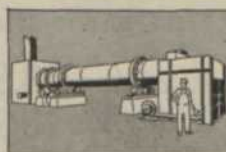
SKIP HOISTS



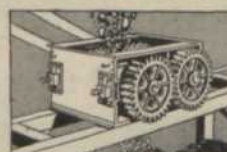
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THE BANK OF CALIFORNIA, N. A.

A National Bank

SAN FRANCISCO · CALIFORNIA

Founded 1864



CAPITAL	\$8,500,000
SURPLUS & UNDIVIDED	
PROFITS EXCEED	\$8,500,000
TOTAL	\$17,000,000

With a background of over sixty years' participation in the development of the West, this Bank, at each of its offices, provides complete commercial banking facilities for individuals, firms, corporations, banks and bankers interested in local or nation-wide enterprises.

FOREIGN TRADE Long-standing, intimate relations with leading commercial banks in principal foreign trade centers enable this Bank, at each of its offices, to handle all banking requirements arising in export and import business.

TRUST SERVICE This Bank, at each of its offices, is authorized to act in every fiduciary capacity permitted an incorporated trustee under Federal laws, and the laws of the respective States.

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OWNED AND OPERATED BY THIS BANK SINCE 1905

PORTLAND	Oregon	Established	1883
TACOMA	Washington	"	1889
SEATTLE	Washington	"	1901

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vention in Atlantic City, are optimistic about the future of their fast growing essential industry. There is an undercurrent of anxiety over the possibility of adverse political activity in the next session of Congress. Senators Walsh of Montana and Norris seem disposed to investigate rates and possibly inquire into the functioning of holding companies. Ex-Governor Pinchot of Pennsylvania, moreover, has encamped at the national capital for the purpose of throwing the light of publicity on the "power trust."

As to rates, the industry contends that these have been gradually declining, and that, though rates have not fallen since 1920 as rapidly as commodity prices, they did not rise previously with the same celerity of commodity quotations. The industry asserts that, since there was no inflation of rates, no subsequent deflation could be expected.

In commenting on the trend of rates, the Rate Research Committee of the National Electric Light Association points out:

"Electricity prices continue to be the lowest of any of the commodities or services used in the household. Domestic electricity has decreased 15 per cent since 1913 in its almost continuous trend downward since 1882. The average revenue per kilowatt-hour in 1926 was 7.4 cents, which, at the purchasing power of the 1913 cost-of-living dollar, would be equivalent to 4.2 cents. The average revenue per unit of output for the entire industry in 1926 was 2.3 cents per kilowatt-hour, or exactly the same as it was in 1913. Despite increases in the charges to the power consumers during the war and post-war periods, the average rate for the entire output reached a peak in 1921 of but 6 per cent above the 1913 rate and recovered to the 1913 base by 1926.

"The dollar of commerce, on the basis of the prices of wholesale commodities, is now worth about 65 cents as compared with the 1913, or pre-war, dollar.

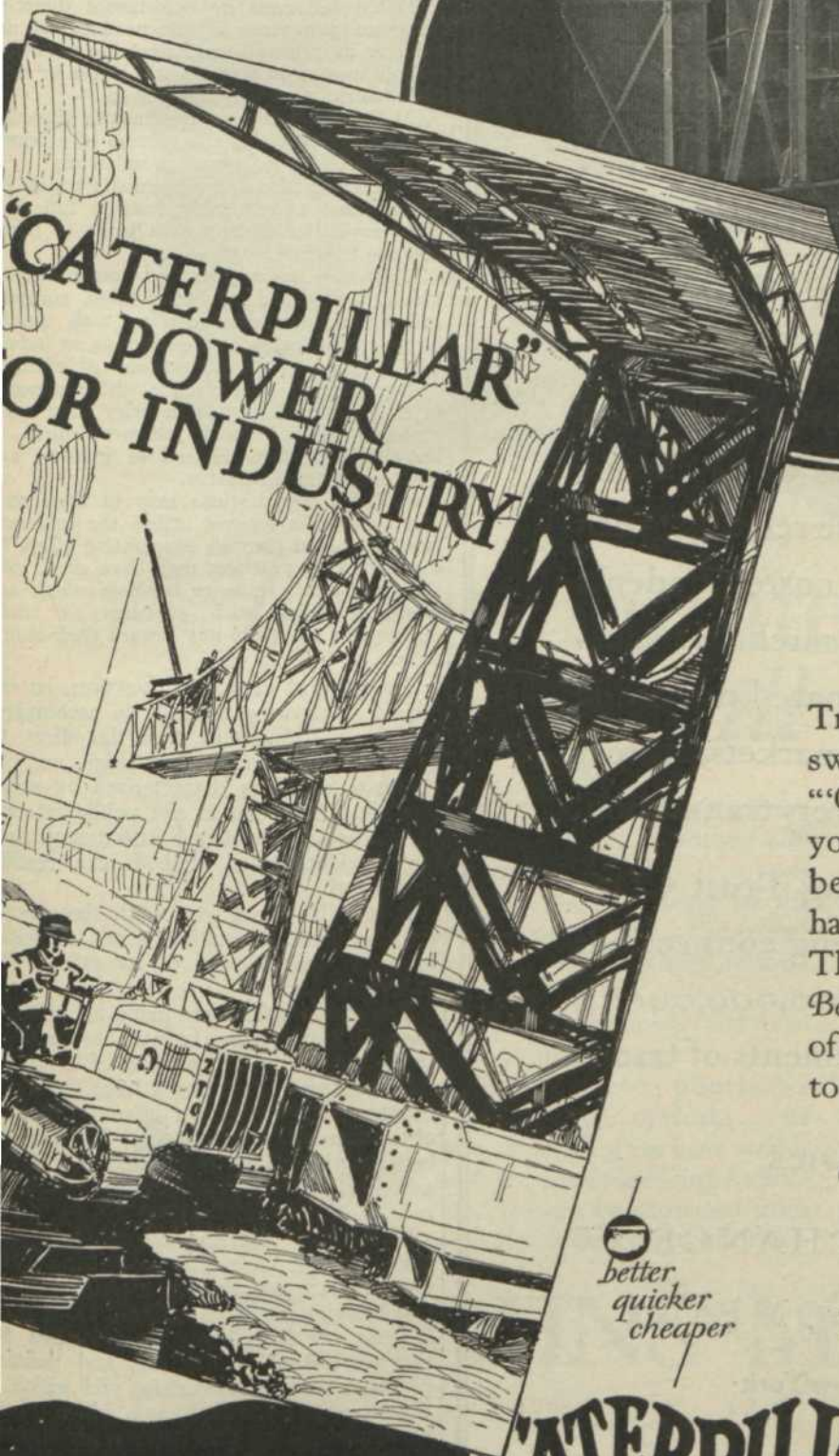
"The electricity dollar, based on the price of electricity to the home, is worth \$1.18 today, and based on the price of all uses of electricity is worth exactly \$1 as compared with the 1913, or pre-war, dollar."

The subject of power and light rates seems destined to become an important topic of political discussion later in the year.

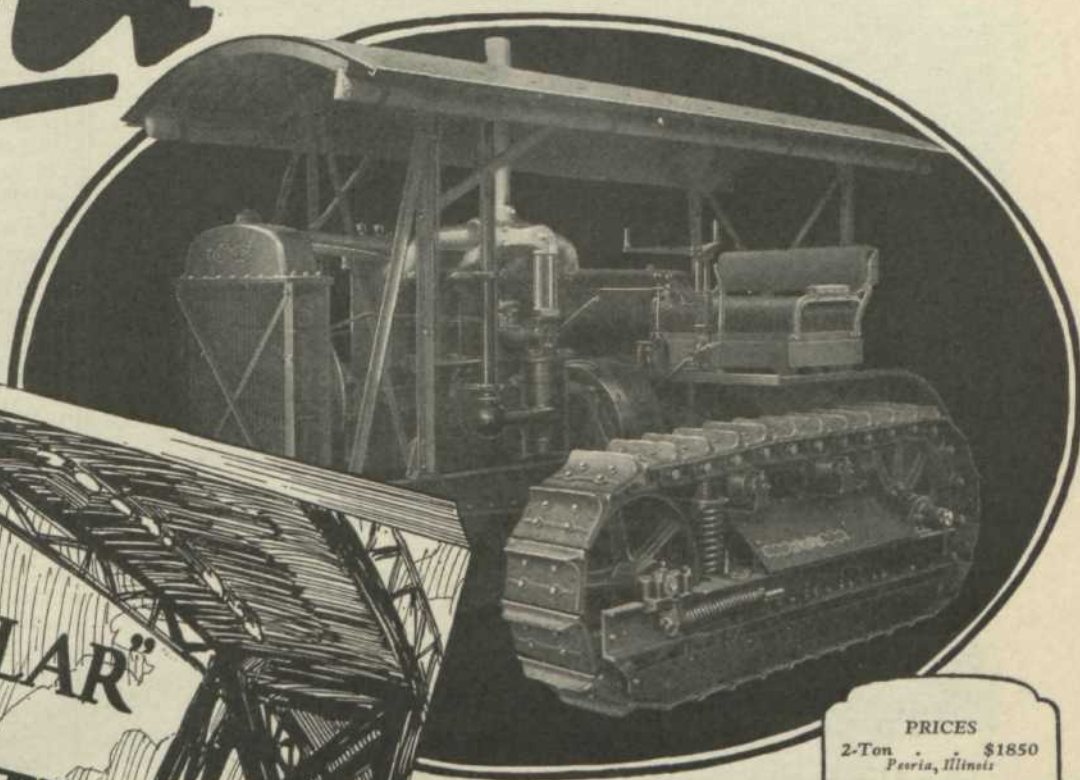
UNHERALDED, the railroads have gradually whittled away the high freight rate schedules authorized by the Interstate Commerce Commission in 1920. And, despite the decreases, net earnings of the carriers have steadily mounted during this period. Railroads have voluntarily cut rates on individual commodities to such an extent during the last seven years that freight rates in general have declined since 1920 in proportion to the general fall in commodity prices, according to a survey made by the Bureau of Railroad Economics at Washington.

WELL-MANAGED business enterprises are making more systematic arrangements than in the past to absorb the large output of human material which flows from the schools and colleges at this season.

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POWER
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With wide experience and established traditions of service, American Exchange Irving Trust Company offers complete facilities for every phase of trade financing.

To insure promptness and precision in handling the foreign business of its clients, this Company maintains close relations with influential and responsible correspondents throughout the world. These carefully selected banks, through their intimate knowledge of problems peculiar to local markets, protect the interests of customers in every transaction.

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OUT-OF-TOWN OFFICE

AMERICAN EXCHANGE
IRVING TRUST COMPANY

Woolworth Building, New York

Elimination of Trade Abuses

(Continued from page 32)

approximate cost of transportation from the principal point of shipment to the points of consumption, as did these defendants, and who, as they did, meet and discuss such information and statistics without, however, reaching or attempting to reach any agreement or any concerted action with respect to prices or production or restraining competition, do not thereby engage in unlawful restraint of commerce.

From the decisions of the Supreme Court may be deduced these rules:

(1) Combinations or agreements directly fixing uniform prices of the products of an industry in interstate commerce are unlawful without regard to the reasonableness or unreasonableness of the prices fixed.

(2) Combinations or agreements directly limiting or regulating the volume of production of such an industry are unlawful.

(3) Combinations or agreements which in actual effect unreasonably restrain full and fair competition in any such trade or business are unlawful.

(4) But combinations or organizations which openly and fairly assemble, compile and disseminate data dealing with actual facts—closed transactions—affecting an industry, stripped of all expressions of opinion and prophecy, to the end that those engaged in or dealing with such industry may each exercise his individual judgment upon a knowledge of facts instead of guesses, are both lawful and laudable.

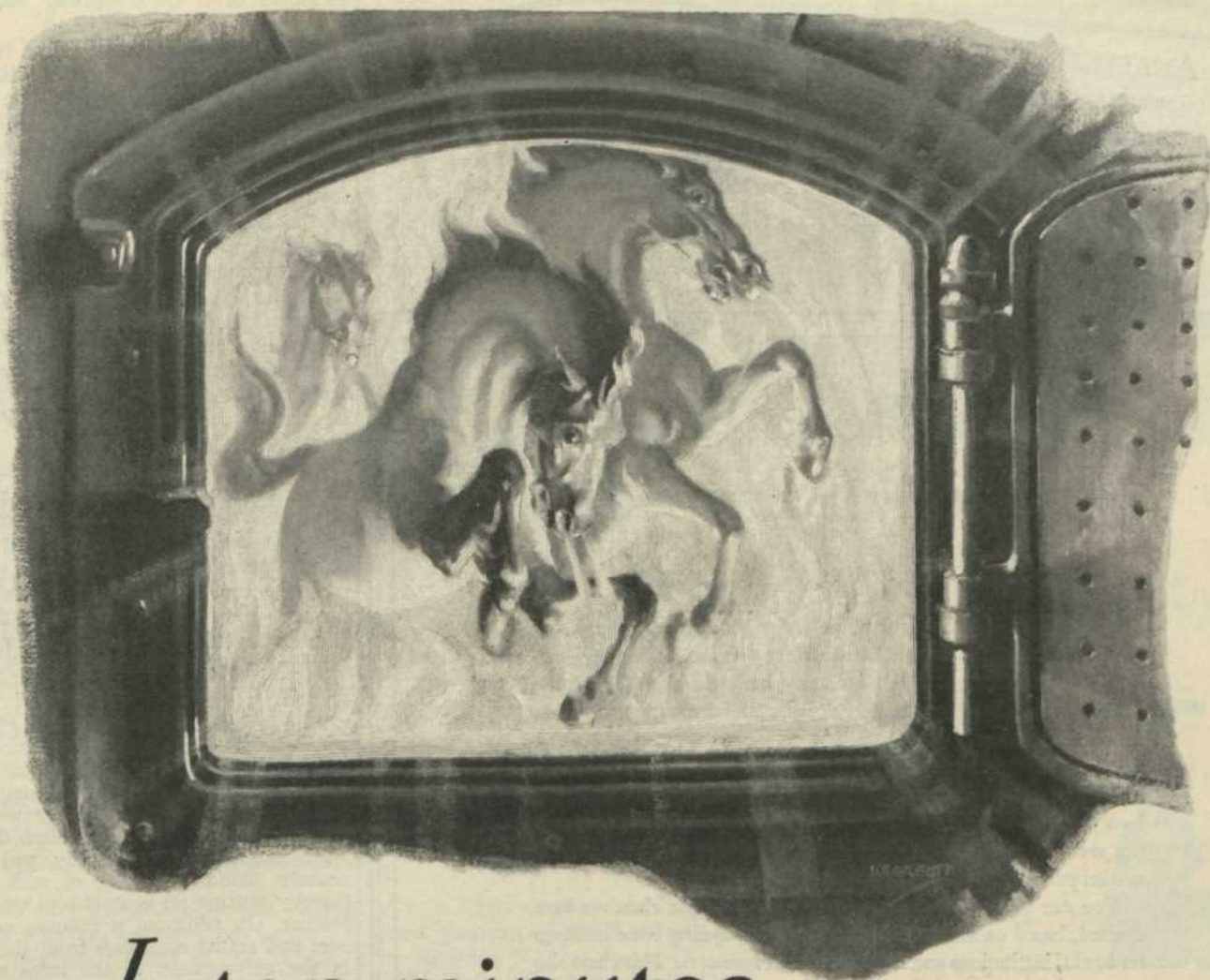
(5) Such organizations may in their own and the public interest utilize the information assembled through cooperative effort to discover what practices may have crept into their particular trade or business which are wasteful, define such practices as trade abuses and point the way toward their elimination.

The greatest care must, however, be exercised in devising methods to accomplish these ends. Assuming that the effort to gain and disseminate knowledge and to eliminate waste, is characterized by absolute good faith and in the public interest as well as an enlightened self-interest, simple, straightforward methods can readily be devised.

It may be asked why, with these powers, the trade association is not sufficient to purge the industry of its evils. The answer is this:

Trade associations are made up of those engaged in the same branch of the same trade or industry, while many of the trade customs which are wasteful have grown up between those engaged in different branches of the same trade or industry; for example, between the manufacturer and the wholesaler, or between the wholesaler and the retailer.

The trade relations committee works along vertical lines, embracing representatives from every branch of the industry and bridging the gaps between trade associations. Such a committee, formed for the purpose of seeking out and defining practices which are wasteful and which in the interest of the trade as a whole should be eliminated, will find customs which, even if originally useful, have outgrown their usefulness and become wasteful, or customs



In ten minutes they will be dead!

HORSEPOWER is born in the fire-box... radiant and powerful. Quickly it courses through the machinery of the average power plant. Then other horsepower, newly born, follows after to keep the pistons moving, wheels spinning and production under way.

So through every plant horsepower works... or shirks... its way, depending on how well it has been cared for during its brief life. It must be protected from cold. It must be protected from air.

It must be protected from leakage.

To give it this protection, that wondrous, fibrous rock, Asbestos, has been fashioned into many forms by Johns-Manville... into insulations, packings, refractory cements, etc.

These products, through their very high efficiency, keep horsepower within the traces, and make it work out its brief span with all the vigor that's in it.

A Johns-Manville power specialist will gladly show you how this is done



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ANALYSIS SHEET
FOR THE DETERMINATION
OF
**INVESTMENT POLICY
and POSITION**

While designed primarily for bond holdings, this chart is also applicable where other forms of investment are to be considered in determining the general balance of the whole list and the fitness of the individual items.

Are Your Bond Holdings Properly Balanced?

This chart will tell you

INVESTORS who have no policy to guide their selection of bonds are apt to accumulate holdings that are lacking in diversification and balance. The bonds may be sound enough, but not well chosen. Holdings should be analyzed from time to time to show the structure.

Many investors are hesitant about submitting their bond holdings to others for analysis. That is not necessary for determining how they are diversified as to type and locality—what the maturities are—how income is distributed over the year—how present market prices compare with prices paid, etc.

You can make this analysis yourself on a simple chart we have devised, based on the method we use for analyzing bond holdings for banks, institutions and large individual investors. This chart also contains an outline for defining the investment policy that would most effectively serve your particular needs.

Altogether, it is a necessary step in appraising every security on your list and in deciding what to buy next. We shall be glad to send you this chart, without obligation.

Ask for Analysis Chart NF-77

HALSEY, STUART & CO.

INCORPORATED

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201 South La Salle St.	14 Wall St.	111 South 15th St.	601 Griswold St.	925 Euclid Ave.
ST. LOUIS	BOSTON	MILWAUKEE	MINNEAPOLIS	
319 North 4th St.	85 Devonshire St.	425 East Water St.	608 Second Ave., S.	

which have been forced upon some of the members of a trade against their better judgment.

Who shall be represented on a trade relations committee? In general, the manufacturers, the wholesalers and the retailers.

An interesting instance of the spread which such a committee may take is shown by the trade relations committee of the food industries. It includes representatives of the National Canners' Association, the American Wholesale Grocers' Association, the National Wholesale Grocers' Association, the National Association of Retail Grocers, the National Chain Store Grocers' Association, the National Coffee Roasters' Association, the Flavoring Extract Manufacturers' Association, and the American Grocery Specialty Manufacturers' Association.

The last annual report of the Federal Trade Commission outlines the procedure of the "Division of Trade Practice Conferences," which, in the language of that report, "provides a method of procedure whereby those engaged in an industry or business may formulate, under the direction or sanction of the Commission, their own rules of business conduct." The report continues:

This procedure has proven an expeditious and economical means of eliminating the use of unfair methods of competition from industry by assembling in conference representatives of a given industry who, under the direction of the Commission, define and on a given date voluntarily and simultaneously abandon the use of such methods, thereby putting all competitors on an equal footing. In addition, it induces moral support and actual assistance from the industry in the enforcement of the rules which the industry adopts and accomplishes at a minimum of cost and time, one of the chief purposes for which the commission was created.

When the industry has adopted its rules, a full report of the conference showing those present, the proportion of the total industry which they represent and other essential data is presented to the Commission; and if adopted or sanctioned by the Commission, the action of the industry becomes the rule of business conduct for that industry on the subjects covered.

Here is a carefully phrased official report of the Federal Trade Commission expressing not only its willingness to cooperate with business in its effort at self-regulation for the elimination of trade abuses, but prescribing a simple method for the accomplishment of that end. This offers to business an opportunity in good faith to set up simple machinery in each trade, diligently to seek out the abuses which unquestionably exist to a greater or less extent in every industry, and to take effective measures to eliminate them.

The Chamber of Commerce of the United States is the leader and the mouthpiece of American business. That business is active and progressive, not static. It will be alert and earnest and courageous in giving practical application to the Principles of Business Conduct which it has adopted. Such an opportunity is offered in the formation of trade relations committees for the wise and orderly self-government of industry.

—For the Exporter—

FOR the manufacturer or merchant looking overseas for new markets, a comprehensive 64-page booklet, "Doing Export Business," a new guidebook for the exporter, has been prepared by the Foreign Commerce Department of the United States Chamber of Commerce. This publication is being distributed at cost, 15 cents a copy.

FOREIGN COMMERCE DEPARTMENT
U. S. Chamber of Commerce, Washington

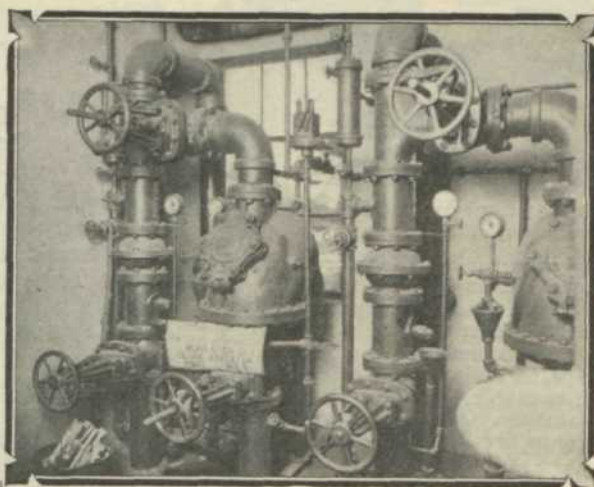
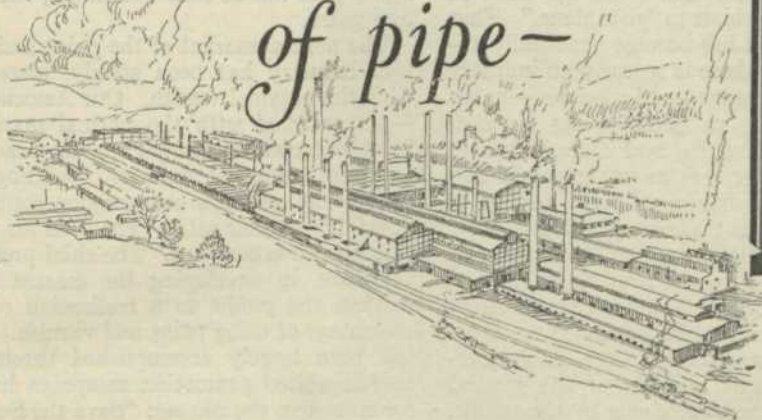
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6,250 our Minimum at \$2.25 per 1000
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PARAMOUNT BOND**
A Beautiful, Strong, Snappy Sheet
HIGHEST GRADE ART WORK AND ENGRAVINGS
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SEND FOR BOOKLET OF PAPER AND ENGRAVINGS

Controlling the flow in 108 miles of pipe—



A nest of Jenkins Iron Body Gate Valves on fire protection sprinkler system in Chase plant

The Chase Metal Works, Waterbury, Conn., has an industrial piping and valve installation worthy of honorable mention—miles and miles of piping and hundreds of Jenkins Valves for heating, for high pressure steam, for high and low pressure sprinkler systems, for high and low pressure air, for river and filtered water, for hot water, for drinking water, and for oil.

Each line, each service is kept constantly in precise working order, aided materially by the Jenkins Valves which control the flow of vapors and liquids in these pipes.

In any installation, functioning with a high degree of efficiency, a valve is called upon to give a good account of itself at any and all times. That is one reason why Jenkins Valves have the call for important industrial plant and building installations. True economy in maintenance is another reason.

Architects, engineers and valve users know from experience what to expect of a Jenkins Valve. They know that Jenkins design and construction provide strength to withstand year in and year out use—and even abuse.

Jenkins Valves may cost slightly more than ordinary valves, but freedom from costly replacements and repairs makes them by far the most economical in service. They are made of bronze and iron in standard, medium and extra heavy patterns for every requirement and, being distributed nation-wide, may be obtained from mill supply houses everywhere.

Our Sales Engineering Division is maintained for the sole purpose of aiding in the selection of the proper valves for any service.

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Montreal, Canada London, England

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FACTORIES:
Elizabeth, N. J.

Montreal, Canada

Always marked with the "Diamond"

Jenkins Valves

SINCE 1864

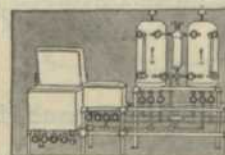
Fig. 108
Jenkins Standard
Bronze Angle Valve,
screwed



Fig. 370
Jenkins Standard
Bronze Gate Valve,
screwed.



Fig. 204
Jenkins Extra Heavy Iron Body Gate Valve, outside Screw and Yoke, flange



Apparatus
Manufacturers
Use Jenkins Valves
as standard equip-
ment on:

Sterilizers
Coffee Urns
Cookers
Clothes Pressers
Steam Tables
Dish Washers, etc

Fig. 168
Jenkins Bronze
Radiator Angle
Valve



This is wasteful—

Stamping mail by hand is wasteful of time, stamps, money.

It has been replaced in more than 100,000 offices by the thrifter, quicker, cleaner Multipost way. The Multipost accomplishes five hand operations in one. Keeps stamps, in rolls, in one safe place. Counts each one used. Discourages misuse. Modernizes mailing and pays for itself in any office.

The MULTIPOST
Stamp Affixer and Recorder

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Ask your Stationer, or send coupon for free trial, or for descriptive booklet. Representatives in all principal cities.

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☐ Send Multipost on free trial
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The South's Supreme Hotel

A Bowman Biltmore Institution
"Where Southern Hospitality Flowers"

Guests' comforts above all else

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Under the Umbrella

By GEORGE V. HORGAN

Manager, National Paint, Oil and Varnish Association, Inc., and
American Paint and Varnish Manufacturers' Association, Inc.

ONCE it was the order for men in every business to "go it alone." That condition has become practically obsolete. Today there is scarcely an industry that does not engage—and wisely so—in co-operative effort to promote its business along forward looking and ethical lines to the end of better service to the public and of profit to the industry. This, briefly, is the "why" of the trade association.

Organized forty years ago by a group of men with vision up old New England way, the National Paint, Oil and Varnish Association, Inc., is a pathfinder among trade organizations; its slogan—In the Public Service—is pertinent in view of the general use of its members' products by the public. Its membership is all-inclusive, embracing not only manufacturers of paints, oils and varnishes but allied lines as well—brushes, containers, colors and various raw materials.

An outgrowth of the parent Association is the American Paint and Varnish Manufacturers' Association, Inc.—a smaller group concerned with problems of manufacture.

In the establishment of cooperative endeavor which has affected the entire economic world, the paint and varnish industry is a pioneer. The National Paint, Oil and Varnish Association, Inc., has successfully met its problems and developed good will among its members to such an extent that it has won distinction among trade associations.

Development of Markets

ONE OF its most significant achievements is the protection of old and the development of new markets for its products. Economic changes which have unsettled the world in recent years put the paint industry face to face with serious problems; hosts of competitors seeking the individual's dollar have come into being, many of them presenting new and alluring products that appeal to the imagination of the buying public. Hence, demands upon the pocketbook have grown enormously and in this increasingly energetic competition, it would seem that standard, everyday products like paint and varnish might be overlooked by the general public in its enthusiasm for the newer commodities that add a tone of luxury to daily life. So successfully has the cooperative movement in the industry met these conditions that the market has shown a steady upward trend, and with the increasing educational activities, sponsored and conducted by our Associations in recent years, the total output has been enlarged appreciably.

Here is a five-year comparison: Production for the first half of 1925 alone—1,285,798,600 pounds—compared favorably with production for the whole year of 1921—1,294,759,450 pounds. As a matter of fact, between 1921 and 1925, the output was practically doubled—totaling 2,251,826,400 pounds. This clearly indicates that

a new goal will be achieved during the next five years.

The normal market of the paint and varnish industry has been steady, increasing with the national wealth. Our Associations—not satisfied with the normal market—have successfully sought to increase the apparent potential market. Buildings already exist and new construction continues at a fairly regular ratio. The need for paint and varnish is constant. The chief problem, therefore, in developing the market is to awaken the public to a realization of the advantage of using paint and varnish. This has been largely accomplished through a well-organized promotion campaign having for its slogan the phrase: "Save the Surface and You Save All."

An Educational Campaign

THE INDUSTRY first gave serious attention to this problem of educating the public in 1919. A campaign was started in 1920. Its principal purpose was to convince property owners of the inevitable loss from leaving exposed surfaces of wood and iron unprotected by paint and varnish.

As a result of the campaign in 1921, some paint and varnish manufacturers increased sales in spite of the great slump when practically all production suffered. Sales of 1922 showed a 37 per cent increase over those of 1921.

The need for such a campaign is shown by the estimate that before it was begun only one-fourth the paint and varnish was being used that was needed for the protection of neglected property.

For six years this intensive educational campaign has been conducted through the advertising pages of magazines and newspapers, by talks, articles, motion pictures, the radio, and through various other media, pointing out that paint is an economic necessity; that it beautifies, and while beauty is much to be desired, it also protects and preserves; that it costs less to paint than not to paint, for rust and decay are expensive. The ruin they cause lowers the resale value of a house, for example, and leaves it undesirable as a home. The economic value of paint is dominant, but its artistic value, its contributions to sanitation, lighting effects, morale—these, too, are included in the "Save the Surface and You Save All" campaign. While the campaign is conducted primarily with the thought of emphasizing profits from the sale of paint and varnish, it has not been necessary for the campaign to stress the side of sanitation, beauty and civic improvement. However, there is another campaign of a more altruistic character carried on by the "Clean Up and Paint Up" Bureau, which has a fine record of achievement in its efforts to awaken public interest. Last year "Clean Up and Paint Up" campaigns were conducted in over 7,000 communities.

Market development, however, is but one phase of the work of the trade associa-



The Development Service of Southern Railway System, Washington, D. C., will gladly aid in securing industrial locations, farms and home sites in the South.

Something new under the sun

Thousands of factories have been erected in the South, but they have not brought about congested industrial centers. These factories lie apart—often on wooded hill-sides and in smiling valleys. Nearby are the small and well-kept towns with attractive homes for the workers, and schools and play-

grounds for the children.

Southern industry, turning natural resources into wealth, is wisely investing its prosperity in its people.

Small wonder that industrial towns and cities of the South are prosperous, and their people busy, healthy and contented.

Three-fourths of the mill capacity of the South's billion-dollar textile industry, which now takes more than two-thirds of the cotton manufactured in this country, is along the lines of the Southern Railway System.

SOUTHERN

RAILWAY SYSTEM



THE SOUTHERN SERVES THE SOUTH

When writing to SOUTHERN RAILWAY SYSTEM please mention Nation's Business

N

IT'S WHAT THE YOUNGER CROWD THINKS ABOUT IT!

OW the whole world
talks the language of this
younger generation, follows
their fashions, plays their
flashing games—and obviously
takes their opinion on tobacco
matters very seriously, for
the younger set's most favored
brand is the *largest selling*
quality cigarette in the world!

FATIMA



What a whale of a difference just a few cents make!

For Those Who Are Interested in Banking and Financial Legislation

A SIXTEEN-PAGE ANALYSIS of the McFadden-Pepper Act has been prepared by the Finance Department of the United States Chamber of Commerce.

This analysis is arranged topically. In each instance the former law is stated and the change made is indicated. The banker can tell what are now the branch banking powers of his bank, the real estate loan privileges, to what extent he can deal in investment securities, and how much he can lend to any one customer.

The price of this analysis is twenty-five cents

FINANCE DEPARTMENT
U. S. Chamber of Commerce, Washington, D. C.

tion. If an industry is to function efficiently and economically, certain fundamental facts must be developed within the industry itself. The National Paint, Oil and Varnish Association has met its problems with no less success than it has met competition for the consumer's dollar.

One of the most essential commodities used in the paint and varnish industry is linseed oil crushed from flaxseed. Outstanding in its efforts and in results achieved has been the work of the Flax Development Committee of the Association in successfully preventing the threatened abandonment of flax production in the United States. This committee, through an intensive educational campaign, has successfully increased flax production in the United States.

Preventing Foreign Dependence

THE Manufacturers' Association is responsible for introducing soy-bean oil into this country as a substitute for linseed oil; through its Tung Oil Committee it has successfully introduced China wood oil production in the United States, land having been purchased in Florida and thousands of tung oil trees planted. The industry is dependent upon China for this commodity. The present revolution in China has naturally affected the release of China wood oil from that country, seriously reacting on the varnish industry in the United States.

This situation emphasizes the farsightedness of leaders in the paint and varnish industry in providing for the growing of tung oil trees in this country.

Moreover, many other new and valuable raw materials have been developed through the work of the scientific section of the educational bureau known as the Institute of Paint and Varnish Research. In the standardization and improvement of the uses of older raw materials, much has been accomplished.

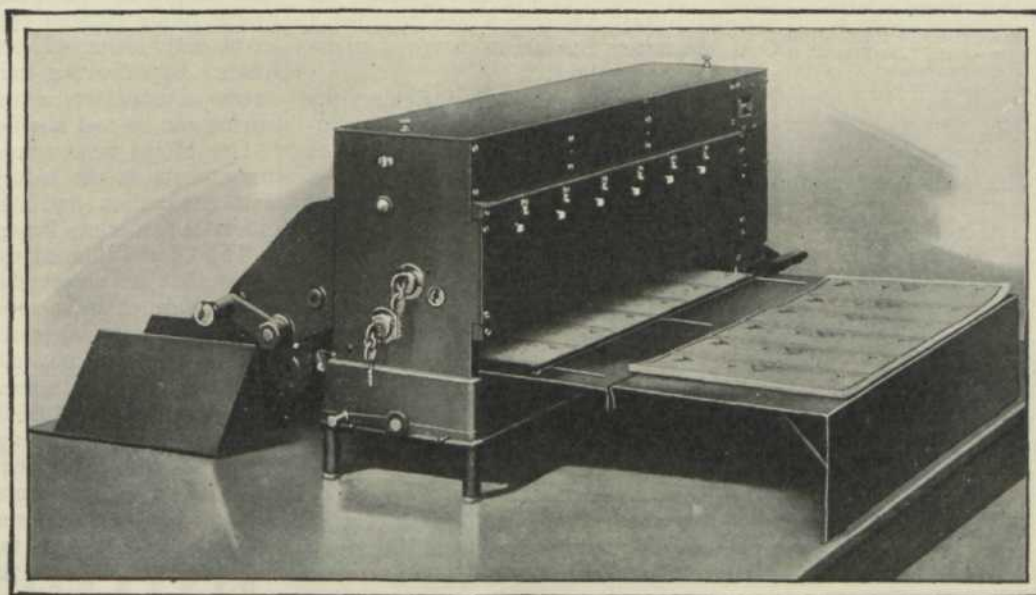
Still another contribution—economic production—has been made by the Simplification Committee of the Association working in conjunction with the Federal Department of Commerce. Through limitation of excessive variety, a reduction in the number of colors and sizes of containers, cost of production has been greatly reduced and dealers relieved of the necessity for carrying a large variety of stocks involving burdensome financial investments.

Of importance is the work of the Association in legislation. Its Legislation Committee, presenting the unbiased facts to legislators, has rendered invaluable service to the industry and to the public.

Traffic problems are handled by a committee of expert traffic men. Thus the industry gets proper consideration before rate-making bodies, official classification committees, and the Interstate Commerce Commission.

A typical service to the members is that provided by the Trade Mark Bureau. Complete records are on file at Association headquarters covering over 16,000 trade marks, names and brands used in the paint, varnish and allied industries. Upon application to the Trade Mark Bureau an exhaustive report is made on any mark submitted. This report is supplemented by recommendations from the Trade Mark

28,000 checks signed in four hours!



The new Todd Check Signer used by the Lincoln-Alliance Bank of Rochester, put a safer signature on 28,000 Eastman Kodak dividend checks with a saving of 146 hours of executives' time

THIS remarkable machine takes checks in sheets of four, five or six and imprints them with a reproduction of a genuine signature and photograph at the phenomenal rate of 7500 an hour. The process is one in which the actual signature plates, locked in the machine, never touch the paper.

The Todd Check Signer requires the services of only one employee. An executive simply supervises. Think of the saving of time this means in a busy organization.

F. S. Thomas, Esq., First Vice-president of the Lincoln-Alliance Bank, of Rochester, says



of the Todd Check Signer and Super-Speed Protectograph:

"Heretofore, it has required one hundred and fifty hours for officers of the Lincoln-Alliance Bank to sign the 28,000 Eastman Kodak dividend checks. By means of the Todd Check Signer the work was done in four hours.

"The 28,000 dividend checks were amount-written on the Super-Speed in less than thirty hours, as against one hundred hours consumed in doing the same work by the fastest method previously devised."

This is one example of the saving that the Todd Check Signer and Super-Speed Protectograph effect. Big banks

and businesses cut down office routine and free their executives from the wasteful hours spent in check signing by the installation of the Super-Speed Protectograph for writing amounts and the Todd Check Signer for applying signatures.

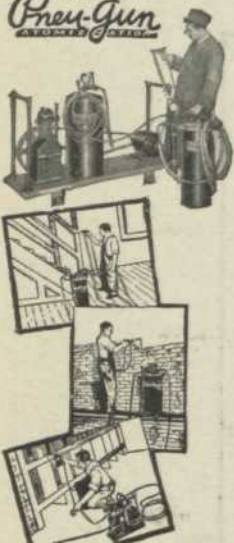
A Todd representative will give you complete information on the adaptation of the Todd System to the requirements of your business. The Todd Company, *Protectograph Division*. (Est. 1899.) 1130 University Ave., Rochester, N. Y. *Sole makers of the Protectograph, Super-Safety Checks and Todd Greenbac Checks.*

TODD SYSTEM OF CHECK PROTECTION

Hand Painted Buildings and Walls are Expensive

You Can Save 3/4 of Your Inside and Outside Painting Costs

with the
Paintair
MACHINE
and
Pneu-Gun



Revolutionary improvements in power painting have been effected by this equipment. It puts on the paint much faster and more evenly. No special paints or skill in mixing them required. Perfect mechanical balance insures years of trouble-free service. The Pneu-Gun sets a new standard for mechanical efficiency. Has from 8 to 20 parts less than other guns and is fully one-third shorter. Revolver-like balance. No exposed parts to be damaged. A light touch on sensitive one-finger trigger material control instantly changes width of paint stroke.

The Following Figures are Based on an Analysis of over 60 Jobs

Hand brushing 456 Sq. Ft. 3 hr. 10 min. at \$1 per hr. . . . \$3.17

Air brushing 456 Sq. Ft. 20 min. at \$1 per hr. 0.34

Gross saving in labor costs by air brush 2.83

Cost of paint by hand brush \$1.80

Cost of paint by spraying unit 2.00

Net saving effected by spraying unit 2.63

America's Headquarters for Spray Finishing Equipment



Please send me catalog 120 and give me details on saving 75% to 90% on painting costs by power-painting with the Paintair Machine and Pneu-Gun.

Name
Address

© A.I.S.—J. E. Pollworth



Write for This Book Today

ONE square mile of land is required every month to provide for Detroit's growth in population and industry.

Fortunes are being made in Detroit real estate. The investor has exceptional opportunity here. Yet Detroit has only started its career as a great commercial and industrial center.

You will enjoy this wonderfully illustrated book about Detroit and Dearborn—the center of Greater Detroit's west side, where Henry Ford has built the world's largest single industry.

You should have this book!

Wanted—State Managers. Men of character and standing. Big opportunity for men who qualify.

**THIS GREAT OPPORTUNITY IS A DETAIL
GLOVER WATSON ORGANIZATION INC.
WE SELL THE FURNITURE**

WASHINGTON BLVD. BLDG., DETROIT, U. S. A.

TIMELY

"NATION'S BUSINESS gives the business man what he badly needs, the best current thought, the best forward look on all business problems," says Ernest T. Trigg, President of John Lucas and Company, Philadelphia. "I read it more religiously than any other magazine."

Committee as to whether it appears advisable to proceed with registration or use of the mark in question.

An Unfair Competition Bureau is maintained by the Manufacturers' group which cooperates with the Federal Trade Commission in securing a strict observance of the Sherman Law.

Recognizing that many losses in business are due to lack of proper cost systems, the Manufacturers' Association has installed a Cost Accounting Bureau, in charge of an expert cost accountant.

Other activities of the Association are the adjustment of trade disputes between members through an Arbitration Committee; the establishment and maintenance of a Code of Ethics, and the like.

Through these varied activities the Association benefits every member of the paint and varnish industry, but to the thousands of small dealers and painters, it renders a particular service.

The larger and wealthier organizations have the advantage of development along broad and scientific lines; they are in position to obtain the services of the most expert men available.

Although the membership of the Association is restricted to manufacturers and wholesale distributors, the small dealer and painter, through their contacts with the Association and its members, are afforded the advantage of the policies and methods of the larger organizations. But members of the paint and varnish industry are

not the only beneficiaries: the consumer, too, shares these advantages. Due to the efforts of the Association he is saved hundreds of thousands of dollars.

According to the best available figures, \$1,600,000,000 is needlessly lost in the United States every year through property deterioration. Paint and varnish provide the armor against such decay. The American Appraisal Company estimates that frame siding painted regularly will depreciate only about 42 per cent in twenty years. By educating the public to a realization of these facts, a tremendous economic saving can be and has been effected.

One of the most completely cooperative movements in the industrial world today, this Association had its source in small, informal gatherings inaugurated in 1888.

The Constitution of the Association provides that its object shall be to promote the welfare of its members; to strengthen fraternal and social relations among manufacturers of paints, oils, varnishes and kindred interests; to remove evils and customs contrary to sound business ethics.

Year by year the scope of the Association's activities has been widened. As the field of its achievements has become enlarged, its vision has broadened and it discovers yet other goals to be attained.

During fair weather the individual often is content to plod along alone, but when clouds appear on his trade horizon he feels decidedly more comfortable "under the umbrella" with his fellows in the industry.

Bureaucracy Puts Out to Sea

BY CHESTER LEASURE

(Continued from page 16)

members have served their destined hour and gone their way. At first the Board was composed of five members. The Act of 1920 increased the number to seven. Of the entire thirty who have served, one commissioner's tenure was seven years. Two served five years and ten months. Four served a bit over four years. One served a month and ten days. Another served just a week. Four served less than four months. One of the present Board has served twelve months and another eight. For the entire roster the average tenure has been less than two years.

Incorporated in 1917, the Fleet Corporation has had eleven presidents including the present incumbent. The longest service was two years and seven days; the shortest, nine months; the average service less than a year! Of the eleven, two were men of merchant shipping training and experience.

Imagine a three billion dollar private corporation with an executive and directoral turnover like that. What continuity of policies and objectives could be attained amid such uncertainties and organization disruptions?

Compare this with the average tenure of executives in private shipping. It ranges from fifteen to twenty-five years. And when an executive retires there's a trained junior ready to take over and carry on.

A former Fleet Corporation officer tells this as illustrative of the effects of such

rapid-fire changes of authority. A new Fleet executive was appointed. He was much taken with the idea that by a method known as super-heating, ship fuel requirements might be reduced.

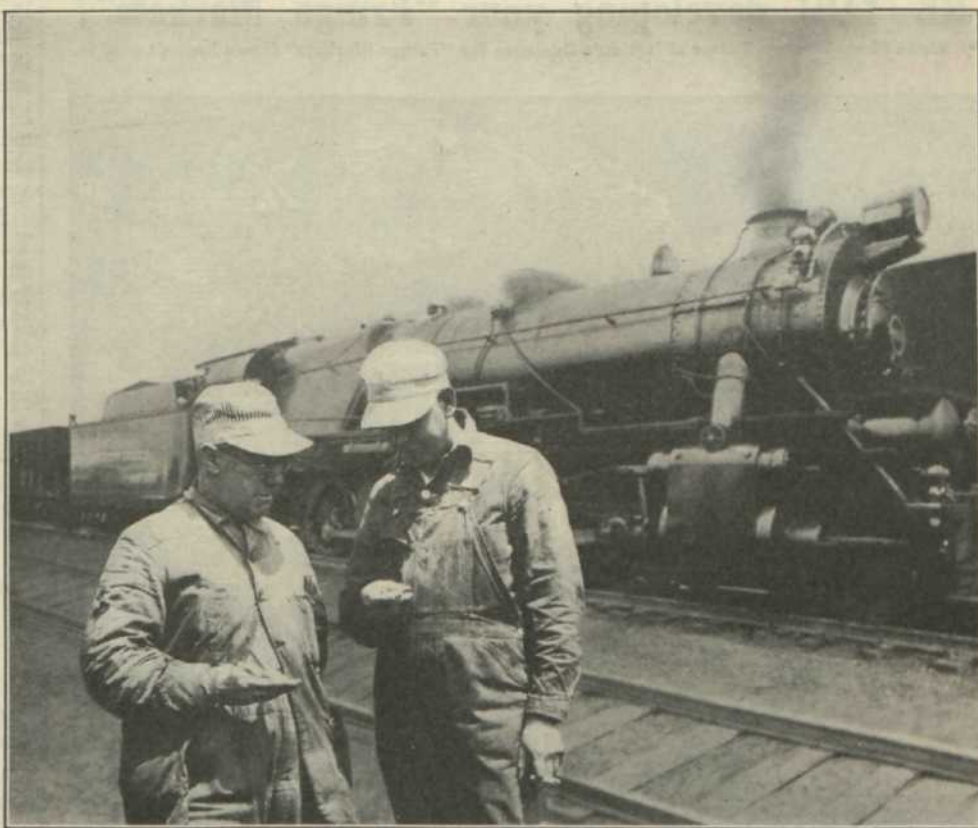
The idea was sound enough but it was put to trial on a boat with a type of motive equipment unsuited to the high pressures involved in the super-heating. But the super-heating equipment was installed—incidentally the installation cost of the super-heating equipment far exceeded the paper estimates—and the boat was put to sea to show her stuff with her new super-heater. The super-heater caused trouble galore—and a marked increase in fuel consumption. Whereupon the super-heated boat was ordered out of service and sent to "tie-up."

The irony of the episode is this. A previous régime had tried out the super-heating process on this same boat, and found it wouldn't work.

But when a subordinate executive attempted to tell the new chief the results of the previous experiment with super-heating in that boat, he was curtly told by the new executive that he would tolerate no "insubordination."

Government establishments, set up to perform business functions, are shot through and through with politics.

Office politics within, and political interference and pressure from without. The



Many of these trains were on time 100%

...again

Pennsylvania Freight Trains make new records for dependability

FREIGHT TRAINS scheduled as rigidly as the de luxe flyers of the passenger service—

And on time over 95%! For many months now that has been the record of the 60 named trains which lead the Pennsylvania's great fleet of 3,000 daily freights.

Inventories reduced hundreds of millions of dollars

Freight service as regular and dependable as this (few conveyor systems function with greater reliability) means that inventories

OUT of the inefficient transportation following the War came the New Industrial Traffic Manager, to solve the problems which frequently meant the difference between profit and loss to his company. Due in considerable measure to his individual constructive effort and his collective work in Shippers' Advisory Boards, America now has the most efficient transportation in her history.

The Pennsylvania is proud of the fact that instead of resenting the more business-like practices which have followed the growth of the Traffic profession it has always recognized the eventual stability and progress which must accompany it.

of materials and goods can be cut to a few days' margin, selling territories can be extended, economies effected which equal the total net profits of a few years ago in many industries.

A Pennsylvania man is now in frequent contact with your Traffic Manager, keeping him informed of the progress of your shipments, supplying him with news of every current development in his railroad's service which may mean more efficient transportation, greater economies in your business.

PENNSYLVANIA RAILROAD

*Carries more passengers, hauls more freight
than any other railroad in America*

ARE YOU developing your "Fringe Markets"?

Write Merle Thorpe, Editor of Nation's Business for "Fringe Markets" if you haven't read it.



CHESTER S. RICKER

A message to farsighted Executives

"FRINGE MARKETS" today may be major ones tomorrow

The "TWIN COACH" is a new type of bus, designed to meet special city traffic conditions—today it may be classed as a "Fringe Market" product—tomorrow as a staple commodity, for modern business is filled with such romances.

Frank R. Fageol, its designer, the father of the world renowned "Safety Coach," wanted engines simple in design, powerful, economical and well built.

Waukesha-made engines with their "Ricardo" heads filled these requirements and are helping him to make reality out of an engineer's ideal.

TRANSPORTATION is only one of the many fields to which gasoline engines may be successfully applied. The application of Waukesha "Ricardo" head engines in thirty-two kinds of industry which now use them proves this fact.

You may be interested only in the purchase of gasoline engined equipment. It may be a bus, truck, power shovel, concrete mixer, road building machine, air compressor, water pump, oil drilling rig or combined harvester. If it has a Waukesha "Ricardo" head engine, you will find a product distinguished by the service it renders rather than by the price at which it sells.

Perhaps you too have a "Fringe Market" and wish to build a unit requiring economical, portable gasoline power? We can furnish engines or completely enclosed power units varying in size from 20 to 125 horsepower and our engineering advice is yours for the asking without charge or obligation. Just have your secretary put this in the mail with your card. We will do the rest.



HEAVY DUTY GASOLINE ENGINES

No. 1 of a Series

WAUKESHA MOTOR COMPANY
Waukesha Wisconsin

Exclusive Builders of Heavy Duty Automotive Type Gasoline Engines for Over Twenty-one Years

When writing to WAUKESHA MOTOR COMPANY please mention Nation's Business

United States Senator, a power in national politics, who solicited a "snug harbor" in the shipping establishment for the son of an important constituent, is a case in point. The sole fitness of the candidate for a shipping job, so the story goes, was his intimate familiarity with "schooners" of the Pre-Volstead era. Government folk who stand out against this sort of pressure are of the rarest.

A tortuous trail it is. Twists. Dips. Turns and angles. Bureaucracy stepping on its own toes in its futile efforts at fast foot work. Stumbling over its own barriers of red tape. Bureau feuds. Rivalries. Divided and diluted authority. Checks and balances. Politics. Plots and stratagems. More politics. Uncertainty. Shake-ups. Still more politics.

There is here no reflection on the integrity of individuals. It's the system. It grows by what it feeds on, enmeshing individuals, stifling initiative. From the highest to the lowest—from board members and presidents of the Fleet Corporation down to the office boy—all are bound by its limitations.

Faults of Government Business

LET'S EXAMINE some of the more patent defects of Government in business as disclosed by Government in the shipping business.

Unfair competition.

The private shipping line must earn a fair return if it is to stay in business. Not so the government line. The Treasury pays its losses. Instances are not lacking of agent operators of Shipping Board lines cutting rates in competition with private American flag lines. The agent can afford to do this because he is compensated on a percentage of the gross business he carries, the question of the profitability of the voyage entering not at all into the equation. The agent, therefore, is interested primarily in gross cargo.

This is not by way of saying that all agent operators of the Shipping Board cut rates. Such is not the case. But the fact that such practices have been indulged and my informant in this case is one who has been victimized by such practices, proves not only that rates may be cut, but that they are cut.

Fleet people not infrequently boast that Government in the shipping business keeps ocean rates low. They neglect, however, to remind the taxpayer that he pays for keeping them low.

Refusal to arbitrate.

Galveston shippers contracted with the Shipping Board to take a shipload of grain to Europe. The shippers, later, claimed a loss due to alleged failure of the Board to perform according to contract. The claimants offered to arbitrate. The Shipping Board agent agreed. The Board, however, refused.

The Board not only refused to arbitrate the Galveston case, ignoring the precedent it had established at that port by the arbitration of similar prior claims, but refused to agree to arbitrate questions that might arise in the future. The law authorizes arbitration, but the Board would not commit itself to that method of adjusting controversies with shippers, even though other shipping organizations, with which the



Smoke is now power

IN 1919, it took three pounds of coal to make one kilowatt hour of energy — leaving thousands of tons wasted as smoke and ashes.

Today only about two pounds of coal are needed to generate a kilowatt of electricity. Tons of coal that with 1919 methods would have turned into smoke and ashes are now being turned into electric power.

With electric engineers estimating that by 1930 one pound of coal will give one kilowatt hour of energy, the electric industry should by that date be producing more than 90,000,000 kilowatt hours with less fuel than the 1925 production of 68,730,000 kilowatt hours consumed.

WESTINGHOUSE ELECTRIC & MFG. CO.
Offices in All Principal Cities
Representatives Everywhere

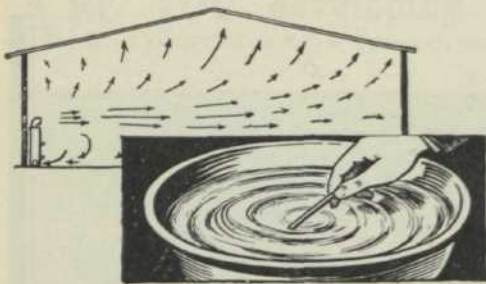


Westinghouse introduced the steam turbine into American industry; produced and developed the turbine-generator. Now Westinghouse generators and turbines are helping power companies to reach new standards of economy in fuel consumption.

Westinghouse



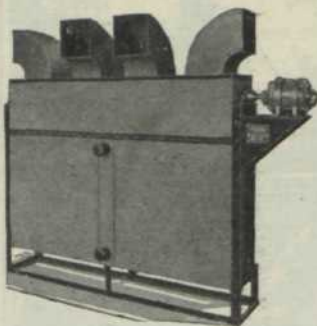
ECONOMIC TRENDS IN THE ELECTRICAL INDUSTRY



It Stirs the Air and puts IDLE HEAT to work

A NEW, scientific method of factory heating claims the attention of executives and heating engineers. Plants which under old systems utilized radiators or pipe coils and seemed almost impossible to heat are being taken over by York Heat-Diffusing Units, and at less expense are made comfortable under severest weather conditions. New plants are similarly equipped.

One, two or a few York Heat-Diffusing Units take the place of a multitude of radiators. The heated air is blown out horizontally at high velocity above the heads of the workers and is thus prevented from rising until it has spent its principal energy in the working zone. A return current is set up by an intake for cool air at floor level.



Go to the humble dishpan for an illustration. Stir the water with a pencil moved rapidly enough and soon the entire body of water is in motion. With a York Heat-Diffusing Unit, the entire body of air is set in circulation in the working zone where the warmth is needed.

The new method saves money because it utilizes heat which formerly floated freely to the roof. It warms easily and quickly without waste.

If you have a job of factory heating to solve, write at once to York Heating & Ventilating Corporation for information. 1514 Locust Street, Philadelphia.

YORK HEAT-DIFFUSING UNIT

"HEAT WITH
UNIT HEATERS"

MAIL THIS COUPON NOW

YORK HEATING & VENTILATING CORP.
1514 Locust Street, Phila., Pa.

Please send me Smoke Bomb Test literature and other facts concerning York Heat-Diffusing Units.

Name _____

Add at _____

N.B.7-27

Board is in competition, arbitrate claims in all ports where that is the accepted method. Thus the Board, a government agency, puts itself above private commercial practices. Yet it wonders why it lacks the confidence of shippers and business.

Inconsistencies.

Last winter when officials were telling the country, We have come to the end of the cable; we can't sell ships, so we've got to figure out some other plan to keep our marine on the seas; an official of a shipping concern came to Washington with money in his kit to buy ships. A former Fleet official tells the story. After five months and after four bids had been rejected for this or that or the other reason he was finally sold a craft that would classify under Senator Fletcher's definition as "obsolete and incapacitated"!

"In every case," said my informant, "the bidder based his bid on figures the ship sales department indicated to be satisfactory for the craft in question."

Government Has the Whip-hand

DELAYED and one-sided adjustments between the government shipping authorities and private owners.

During the war the Government took over from private owners such ships as were available. Owners were to be reimbursed for wear and tear of such vessels.

A case in point as related by the victim: A ship was returned to the owner. Certain of its equipment was in decidedly bad repair; had to be replaced. The cost of such renewals had soared with all other prices.

An official was sent to adjust the claim. The owner asked an amount sufficient to restore the equipment. The adjuster frankly told the ship owner, "I'm here to drive the best bargain I can. I've got to make a showing." The owner was offered a sum just about half the actual amount needed to restore the worn-out equipment, and, said the adjuster, "you can take it or leave it. It's the best you'll get."

Acting—then investigating.

The Act of 1920 provides that reduced rail rates on commodities exported or imported can only be granted in cases where the ocean transportation is performed in American ships, except that if there is not sufficient American tonnage to meet the requirements, the Shipping Board may certify that fact to the Interstate Commerce Commission, and the latter may suspend the operation of the law.

Such suspension was ordered and put into effect. Everyone supposed that was the last of it, but one day the Shipping Board startled shippers by certifying to the Interstate Commerce Commission that there was adequate tonnage, which compelled the latter to suspend the operation of the law, to take effect upon a given date.

Immediately there was a clamor from exporters and importers all over the country. A bill was introduced in Congress to postpone the suspension, and Congressional hearings were held. Members of the Shipping Board tried to justify their action. Two witnesses, only, supported them. Witnesses from all over the country raked the Board fore and aft. The Interstate Commerce Commission opposed the Board.

Protests from the country were so vigor-

ous that the Shipping Board proceeded to make the investigation which should have been made before taking action, and subsequently marched down the hill it had previously marched up.

The Shipping Board has perhaps done nothing affecting business that caused so great dissatisfaction.

Citizens in marine shipping business muzzled; apprehensive of reprisals.

"Far-fetched," you say. Is it? I have talked lately—perhaps tried to talk is the better way to put it—with many shipping men, inviting an expression of their views.

One said: "Do you expect me to criticize the Shipping Board? If you do, guess again. Do you know what they could do to me?"

Later I found out what he meant when I learned of the Pacific Coast operator who had his boats taken away from him almost without an aye, yes or no.

Another. "You ask me what I think of government in the shipping business—and me in the business! I'll tell you this: It isn't in the cards for the Government successfully to operate a marine."

"Why?"

Less Confidence in Government

"BECAUSE, the people who use ocean-going cargo space have little confidence in government operation. Not long ago it was noised around in shipping circles that the A. B. C. people"—and my informant mentioned a prominent and successful concern, agency operators of government ships—"were about to lose their line and ships. Washington was going to take the line and combine it with the United States Lines to cut the losses of the government line, so it was said. A shipper who had been using the A. B. C. line, heard of it. Our foreign flag competitors always help those stories get 'round. The shipper had a big cargo outbound. He'd placed it with A. B. C."

"The shipper called the A. B. C. people. 'What's this about Government taking your boats? If it's true, X. Y. & Z.'—naming a foreign flag line—'get's my business.'"

Said another, a former executive of the Fleet Corporation.

"I've been through the mill. No more government shipping berths for me. You couldn't pile enough money on that desk to induce me to go through that again."

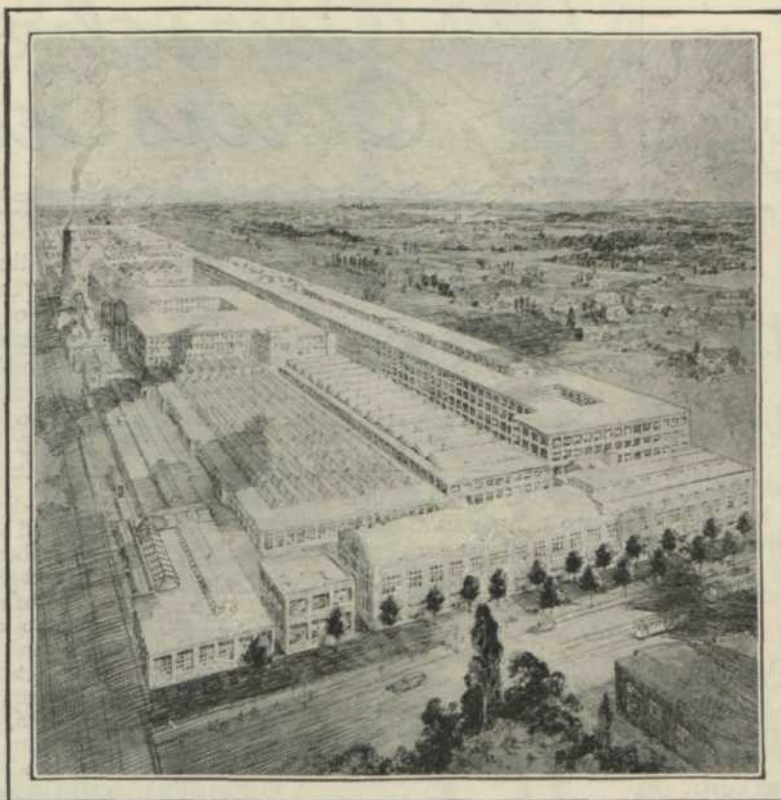
There you have it. Bureaucracy in fine fettle and going strong. Government in business, indeed!

Instances here cited were told by practical shipping men; some of them former officials of the Fleet Corporation—and vouched as within their own experience or observation.

Shipping Board and Fleet folk may have denial or explanation, but success in the operation of business is not predicated on denials or explanations, but on results!

The sum and substance of the whole business is this—when Government goes into business, political considerations take precedence over economic considerations.

EDITOR'S NOTE: Next month NATION'S BUSINESS will continue the discussion of the merchant marine question, showing our status on the seas and the record of government in the shipping business.



The 45-acre reason for the success of Pierce-Arrow trucks

If you could actually see Pierce-Arrow trucks being built—see the type of workman who builds them—see the kind of tools he uses—see the materials and how they are tested . . . you could fully appreciate the hidden values in Pierce-Arrow truck construction.

In this great factory, covering 45 acres—and the various daylight buildings with 1,400,000 square feet of floor space—there is plenty of room for careful, painstaking work, despite the large number of trucks which are built each year.

And the Pierce-Arrow workmen . . . how

different they are from the average! Some of them have been with the company since the first Pierce-Arrow car was built twenty-six years ago—many from ten to twenty years.

It is because of the traditional quality of Pierce-Arrow; because these men work with patient, unhurried, understanding skill, that these trucks quite commonly keep going ten, twelve or more years.

It *does* make a difference *where* your truck is built—and *who* builds it. . . . THE PIERCE-ARROW MOTOR CAR COMPANY, Buffalo, New York.

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*Dual-Valve...
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*Worm Gear Drive
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For fine wall finishes, the Binks Spray Gun is preferred by master painters. There is no excessive spray mist.



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READERS of the report of the Mackenzie Delegation to the United States and Canada will not find in it any vindication

of the doctrine of prosperity through high wages in "the over-simplified form in which some of its exponents have presented it," says the *Nation & Athenaeum*. Even though wages are much higher in America than in Britain, "to the extent of 50 per cent or thereabouts,"

this is not made possible by an uncalculating belief in high wages as a panacea. On the other hand, the American producer does appear to have grasped the fact that there is no virtue in low wages. He is concentrating on the reduction of other costs, on the development of efficient methods of management, on getting the best results he can from the wage-earners' skill and initiative.

Another side to the picture is painted with saying that—

Hours of work are longer than with us; conditions of labor less carefully regulated; trade unions are weak, and weakest where it is most desirable they should be strong; there is no compulsory insurance against sickness or unemployment. The American wage-earner must provide for his own needs. But the statistics of wage-earner's savings given in the report are truly sensational. In 1925 the deposits of savings banks alone totalled nearly £5,000 millions.

After making every allowance for differences between America and Europe, the *Nation* feels that "there is a great deal that is relevant and valuable in American experience." The report begins by blessing the so-called "horizontal trust"—

Where well organized, their success is undeniable. They have caused cheaper production and lower selling prices, and this has resulted in widened markets, greater employment, and higher wages.

To quote the *Nation* again, the report—speaks approvingly of both standardization (the attainment of uniformity of design) and simplification (the reduction of the number



of varieties manufactured). And it considers that the system of instalment buying, under which goods are annually sold in the U. S. A. to the value of £1,200 millions, "must have been a great factor in increasing the internal trade of the country, and consequently the prosperity of industry." Here at least are three pronouncements which are calculated to make us think.

Viewing the report through the editorial

eyes of the *Manchester Guardian Commercial*, "the sections of the report on the attitude of labor toward machinery and toward management can be most profitably taken by British industry to its bosom." The account of industrial relations is valuable, the *Guardian Commercial* believes, because it brings out the feature that is weakest in England, for—

we have developed collective bargaining on wages and conditions to a high pitch, but in a number of conspicuous instances America has set examples of joint machinery within the workshop for the removal of friction and more efficient working which deserve to be most carefully studied. The success of the best "employee representation plans" is quite apart from any question of union recognition, on which British practice most differs from America.

THREE main lines of American opinion on the war debts are discerned by J. M. Kenworthy, member of Parliament, and reported in the

London Review of Reviews. The first line, contending for cancellation, includes President Butler of Columbia University and "his fellow scholars." With them, he finds, are—

many bankers, and pro-foreign elements, either pro-British, pro-French, or pro-Italian for a variety of causes, the principal of which is racial descent. This small but se-



lect body of opinion in the United States is for cancellation on moral, political and commercial grounds.

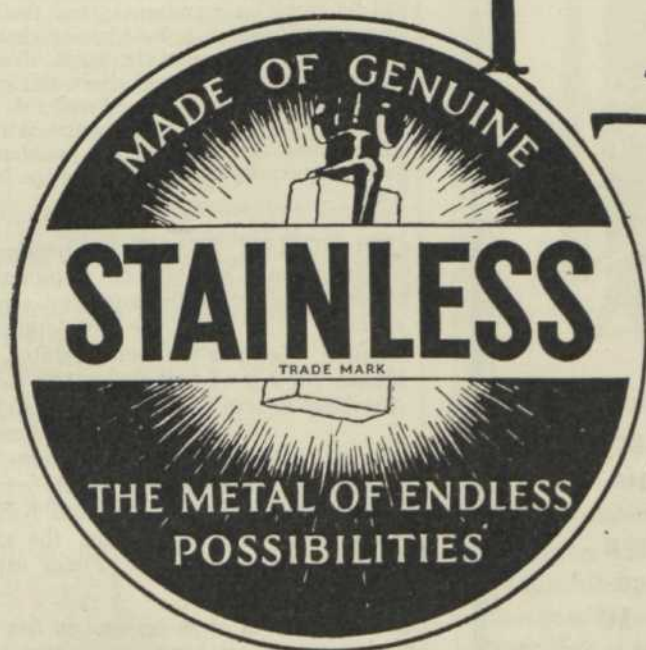
This school of thought, he explains, is almost entirely confined to the eastern states, and its exponents are few in numbers and that their political influence is still negligible.

Official America, he finds, looks upon the debt question as a purely business proposition. Its view is best expressed in the official pronouncement of Secretary Mellon for the Department of Finance. This official attitude is supported on somewhat different grounds by a great and powerful mass of opinion, including the vast majority of those in America whose interest in foreign affairs is confined to this issue.

Another belief, strongly held and likely to endure for many years, he believes

..... when the problem involves

High Temperatures, high pressures or both



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RICHMOND	TOLEDO	ERIE	DAVENPORT	SAN ANTONIO
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is dominant in the Middle West and is overwhelmingly represented in the Senate and Congress. According to it, America's repayment of war debts is a guarantee for the future peace of the world. The perfectly sincere people who think thus contend that America should go on claiming her payments even if her commercial structure should be injured thereby, if only for the purpose of teaching the inhabitants of the European cockpit the lesson that war is not a paying proposition.

To forgive and cancel the debts today, they say, will simply mean that more money will be spent on armaments; and the insistence on payments is to be America's sole contribution to the peace of the world. No arguments and no appeals will shake this conviction, and it must be reckoned with. It is the refusal of the French to recognize it that is undermining the former great popularity of France, especially in the West and the Middle West.

SIR JOSIAH STAMP, addressing the American Chamber of Commerce in London on some of the important elements in the development of English Measure the United States, is re-Makes Us All of ported by the London Sterling Worth Times to have said that the total American "current income" was now more than £14,000,000,000 sterling, or nearly equal to the capital wealth of the United Kingdom before the war. Interpreting the significance of this income, the Times explains that it

showed a growth of 36 per cent in five years in the income per head, or 7 per cent per annum, and this was real income, after allowing for the difference in price level. In eight years from 1909 to 1917, the total increase in per capita real income was 15 per cent, and in the last nine years 26 per cent. The average person working for a money income really received about 25 per cent more than in 1917 and 44 per cent more than in 1909. . . .

The export surplus of goods necessary to make this foreign investment was again being largely increased by a sale of goods for gold, for the total gold imports in January amounted to over £10,000,000 sterling, or more than a month's world production. This was the largest for any month since 1921. The United States had learned the trick of absorbing large quantities of the basis of credit without any undue effect on prices, and were so rich they could afford to carry idle and unproductive assets in a way that would reduce any other country to beggary. Gold prices had diminished in the United States by 6 per cent in 1926 and were falling since, a combination unusual with business prosperity.

EVEN if Great Britain ratified the so-called Washington Hours of Labor Convention, "the biggest of industrial countries, the United States, "Hours" Known would not," contends by the Countries E. T. Good in the Eng-They Keep lish Review when discussing "Working Hours at Home and Abroad," for—

Remarkably enough, the United States will have nothing to do with the Washington Hours Convention. In few trades, save those of a continuous nature—that is, where work is done by night as well as by day, as at blast furnaces and in gas works—is there even an eight-hour day in America. In

National Manufacturer Wants Year-Around Product

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One of Michigan's large, established manufacturers of nationally advertised, seasonable merchandise must keep its producing and distributing facilities working at capacity the year around.

Its present line—because of a short selling season—keeps plant and organization busy only a few months.

The corporation has extensive warehouse space, modern factory and equipment, ample trackage, broker and jobber connections throughout the world, high financial rating and a trained, seasoned sales force of 75 specialty men working the drug, grocery and hardware trade.

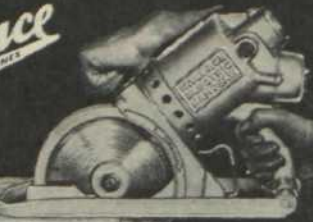
Some firm with a good product needs increased efficiency in production, wider distribution, greater sales effort and faster turnover.

We are in a position to buy, amalgamate, enter into a physical merger or make a mutually profitable working arrangement with such a company.

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many industries there is a twelve-hour shift, less meals. An agitation even for a strict forty-eight-hour week for women and young persons in some branches of the textile and clothing trades in the United States has failed. In the New England states there is a fifty-four-hours a week law for women and children, except in Massachusetts, where they have a forty-eight hour law. . . .

The five-day week has made some headway in America recently, but Mr. Ford was not the originator of it, as some people have been led to understand. Manufacturers in competitive trades are mostly opposed to it, save when it is necessary to work short time, and, indeed, it has been hinted that Mr. Ford's adoption of the five days is more in the nature of short time, owing to the market not being able to absorb the whole of six days' production, than to any other cause or idea.

TALK in Canada of annexation by the United States is "confined to a few people who consider they have grievances that are not quickly enough remedied by the government," declares Edward Anderson in a letter to the *Spectator*. Writing from Winnipeg, he says:

There is much American capital being invested in Canada, and many of our natural resources are attracting American money, and



in other directions the American influence is undoubtedly considerable, but it does not tend toward annexation sentiment in either country, rather towards cementing the friendship which is so rapidly developing between the English-speaking peoples.

There is a decidedly strong nationalistic sentiment developing in Canada, but it is accompanied by the determination that the British connection shall be maintained and that Canada's future lies within the British Commonwealth of Nations.

WALKING through our great cemeteries, the observer is impressed with "the few men who have lived fifty years," says Sir William For-

Short and Busy wood when writing to **Lives Here, Our** the editor of the *Spectator* on the American **Tombstones Say** climate as a stimulant to high production. Here the climate is exhilarating, he reports, making it a pleasure to work, while in England there are many depressing days when work becomes irksome. Comparing the conditions of employment, he says that in England—

a working man is glad to get to his home after the day's labors, and rest in his easy chair, with his pipe and evening paper; his muscles need relaxation, and his brain repose. Such a condition in America is impossible—a man must be always up and doing. The remedy for this would be for our workers to work shorter hours and so be more intense in their work. . . .

Pry Open New Markets With Pressed Steel!



(Left)
Old model Hoffman
containing 9 large
castings. Assembled
weight, 244 pounds.



(Right)
Redeveloped pressed
steel Hoffman, as-
sembled weight, 134
pounds.

How to tap the world's
greatest buying market?

Easily answered—sell *millions* of middle class Americans rather than a few thousand wealthy home owners.

Hoffman Heater came to YPS. Data: Nine major parts cast iron. Assembled product weighed 244 pounds, piled up excessive shipping charges. Losses due to breakage in transit enormous. Extra expense, over direct casting costs and machining charges, responsible for high prices which scared off prospects of moderate means. The problem was to reduce all costs.

YPS redeveloped all cast parts, "pressed them from steel instead." Total weight dropped 45%—fell to 134 pounds. But *better*, all breakage is eliminated, machining cut out, assembly speeded! With improved appearance the product is also easier to sell. Now not only the wealthy have instant, automatic water heaters—Hoffman offers models for less than \$100! Thus is the *greatest* market opened—definitely proved by the astonishing increase in Hoffman sales.

Why not cut *your* costs with pressed steel? Improve your product or widen your sales market—or both! Step ahead of your competition.

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A QUARTER century ago the chemist's chief aim was analysis and control of manufacturing processes. Today he is creating new products, better and more economical, to replace old ones.

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Throughout the past twelve years the Exposition of Chemical Industries at New York has been a marked influence in leading the chemical industry and its related industries to their premier position.

The Exposition is today the clearing house for industries chemical by nature or dependent on chemistry. Thus the Exposition of Chemical Industries has become the world's greatest market place for chemical products, materials, supplies and machinery.

It has gathered and displayed where all might see, the products from the resources of the earth, the air and the sea and from the activity of the sun's rays, light and heat.

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Recent Federal Trade Cases

THE COMMISSION has requested the Attorney General to dismiss the actions instituted in 1920 against the Bethlehem Steel Company and the Republic Iron and Steel Company for writs of mandamus to compel these companies to file certain special monthly reports which the Commission had demanded to obtain information in an investigation into the then existing high cost of living, the further prosecution of the suits having been stopped at that time by the injunction issued in the Claire Furnace case recently decided by the Supreme Court of the United States.

The information required by the reports, which included prices, production, stocks on hand, quantities sold, and costs of producing certain iron and steel products, was sought by the Commission in connection with an investigation instituted in 1920 suggested by the House Committee on Appropriations. The purpose was to ascertain the causes of the then existing high cost of living and to publish the facts secured by the investigation for such corrective effect as it might have. The Commission also had in mind the possible disclosure of violations of law as one of the causes.

The decision of the Supreme Court in the Claire Furnace Case holding that the Supreme Court of the District of Columbia, sitting as a court of equity, had no jurisdiction to entertain the injunction suit since the steel companies had an adequate remedy by way of defense to such actions for mandamus as might be instituted by the Attorney General at the request of the Commission, or to suits for the recovery of penalties, leaves the Government free to proceed with the actions in mandamus instituted against the Bethlehem and Republic Steel Companies.

The Congressional appropriation for this investigation has long since lapsed, and the Commission is without funds to pursue the investigation further.

Moreover, while the question of the Commission's power to require reports of the character involved in these suits is of vital importance, the Commission prefers to raise this question in some investigation where there is immediate present requirement for the information, either as a part of a general plan of requiring reports from corporations, or in connection with an investigation instituted on its own initiative, under authority of the statute or to comply with the direction of the President or either House of Congress, to investigate and report matters to them as provided by the Federal Trade Commission Act.

A MAJORITY of the Commission has decided to send Mr. Whitely, the Commission's attorney in the Aluminum Company of America case, to England and France. Commissioner Humphrey dissented from this decision. To quote him in part:

As to obtaining possible witnesses in France, it seems that this hope is based upon an assertion of some witness that at some meeting at some time, somewhere in France, the president of the Aluminum Company of America made some statement, which such president denies, about fixing the price of aluminum.

The Commission has no authority to spend money to send the attorney on any such mission of inquiry.

When Congress in the statute creating the Federal Trade Commission said that the Commission had the authority to "prosecute any inquiry necessary to its duties in any part of the United States," it intended to prevent just such junketing trips as this.

We have cases now pending affecting seriously the interests of the Philippine Islands. Undoubtedly, material evidence in reference to those cases could be secured in those islands. There would be far more justification in sending one of our attorneys to the Philippine Islands than there is for sending an attorney in this case to Europe.

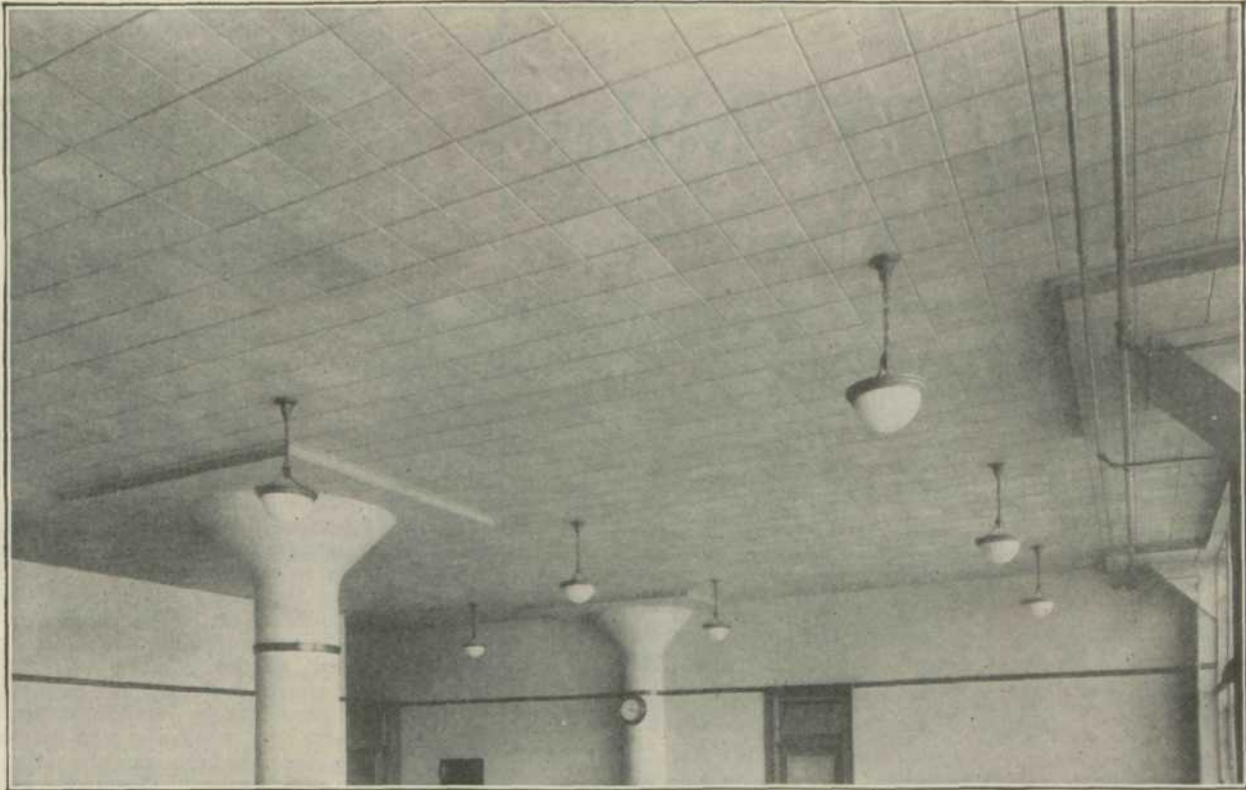
The precedent set here by the majority opens wide the doors for the different members of the Commission, should they so desire, to junket throughout the world, and to send employees of the Commission to the uttermost parts of the earth upon any pretext, justified or otherwise, at public expense.

There is no way that evidence can be legally taken in Europe except by agreement with the respondent. The majority seems to concede this proposition.

The attorney for the Commission, Mr. Whitely, positively affirms that the respondent will not agree to any such proposition in this case. This ends the matter definitely, from every possible angle, for if the attorney should discover on this trip of inquiry valuable evidence, there is no way it can possibly be secured, so that it can be used in this case, without the consent of the respondent—and that consent will not be given.

We are unable to enforce obedience to orders we have already issued, because of lack of funds. We are unable to give deserved increase in salaries to several employees, because we do not have the money. Under such conditions I cannot believe it is in the public interest, even if we had the authority so to do, to spend money on such doubtful undertakings as this.

AN order of interest to the grocery trade in Wisconsin and neighboring states has been issued by the Commission. It directs a Wisconsin wholesale grocers' association and two private companies of Milwaukee to discontinue certain unfair methods of competition. The Commission found that the respondents regard the channel of distribution of manufacturer to wholesaler, to re-



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"The People's
Messenger"

New Facts on Retailing and Wholesaling

A THOROUGH census of wholesale and retail trade, including 15,000 business establishments, has been completed in Baltimore, Maryland, by the United States Census Bureau.

From these new figures, a report has been prepared by the Domestic Distribution Department of the United States Chamber of Commerce. Tabulations have been made in forms arranged to yield the sort of information the business man can use. Exact facts—classified on 45 different kinds of stores—are given on

Sales	Salaries and Wages	Stocks
Employees	Percentage of business done	

Copies of this report, "A Distribution Census of Baltimore, Maryland," may be obtained at 25 cents each.

DOMESTIC DISTRIBUTION DEPARTMENT
United States Chamber of Commerce Washington, D. C.

tailor, to consumer, as the only proper and legitimate channel of distribution and that the Association operated under a set of by-laws which declared that one of its objects was to secure the universal recognition of the jobber as the best channel through which the manufacturer should distribute his products to the retailer.

As a means to these ends, it was found, the Association classified various concerns as "irregular," circulated disparaging and derogatory statements concerning the business methods of such concerns, sought to induce manufacturers to refuse dealings with them, threatened to boycott manufacturers continuing to deal with them and carried out a campaign to induce manufacturers to eliminate drop shipments on the jobber's order in attempting to restrict the ability of so-called "irregular" jobbers to undersell the regular jobbers.

The two companies are both merchandise brokers in Milwaukee, and it was found that by cooperating with the Association in refusing to sell "irregulars" these two firms received the hearty support and business of the members of the Association.

Distribution from manufacturer direct to retailer, whether a single retailer or chain store system or through any form of cooperative purchasing by retailers, or from manufacturer to a wholesaler who has any retail affiliations, has been classed by the Association as "irregular." Manufacturers who sell direct to retailers were also classed by the Association as "irregulars."

The findings conclude that the practices set forth are to the injury of the respondent's competitors and manufacturers, producers and their representatives and to the public and constitute unfair methods of competition. The order directs that they be discontinued. (Docket 1196.)

A TACOMA, WASHINGTON, firm has been ordered by the Commission to discontinue the practice of selling maple chairs as mahogany or walnut chairs. The Commission in its order points out that this does not prohibit the use of such phrases as "Mahogany Finish" or "Walnut Finish" or phrases of similar import denoting color in connection with chairs composed of other than mahogany or walnut, "if and when in using such phrases and immediately preceding the same, the respondent clearly designates the name of the wood or woods of which such chairs are actually composed." (Docket 1427.)

ON MARCH 2, 1927, the House passed a resolution (H. R. 439) directing the Commission to investigate the action of those industries engaged in purchasing cotton seed for the purpose of crushing the cotton seed, and those industries engaged in refining and otherwise processing and marketing cotton seed, to ascertain if there be a combination agreement or association to fix prices of cotton seed or to violate any of the anti-trust laws.

At the time of the passage of the resolution the Commission had under way a somewhat limited informal inquiry with respect of the same subject matter and is now considering the report of this informal inquiry in connection with plans for the larger inquiry under the House resolution.

Copies of the Commission's complaints, respondents' answers, and the Commission's orders to "cease and desist," or of dismissal may be obtained from the offices of the Editor of NATION'S BUSINESS, Washington, D. C., without charge by reference to the docket numbers. Transcripts of testimony may be inspected in Washington, or purchased at 25 cents a page from the official reporter, whose name is obtainable from the Commission.—Editor's Note.

GOVERNMENT AIDS TO BUSINESS

Reports of government tests, investigations and researches included in this department are available (for purchase or free distribution) only when a definite statement to that effect is made. When publications are obtainable the title or serial number, the source, and the purchase price are included in the item. We will be glad to furnish them to our readers at the price the Government charges.

THE DEPARTMENT OF LABOR and of Agriculture and the National Fire Protection Association have cooperated in issuing a bulletin, "Safety Codes for the Prevention of Dust Explosions." The publication deals with safety codes in starch factories,

Prevention of Dust Explosions

flour and feed mills, terminal grain elevators, pulverizing systems of sugar and cocoa, and the installation of pulverized-fuel systems.

Additional copies of Bureau of Labor Statistics Bulletin No. 433 may be procured from us or the Superintendent of Documents, Government Printing Office, Washington, D. C., at 10 cents a copy.

THE BUREAU OF STANDARDS of the Department of Commerce has just issued its circular No. 319, covering an alphabetical index and numerical list of Government Master Specifications, which have been promulgated by the Federal Specifications Board.

United States Gov't Master Specifications

These specifications have been adopted for the mandatory use of all departments and independent establishments of the Government. Anyone interested in receiving a copy of this list can obtain it through the Superintendent of Documents, Government Printing Office, Washington, D. C., for 10 cents cash or money order.

These specifications have made it possible to eliminate waste in purchasing for the Federal Government, and great savings have accrued through their use.

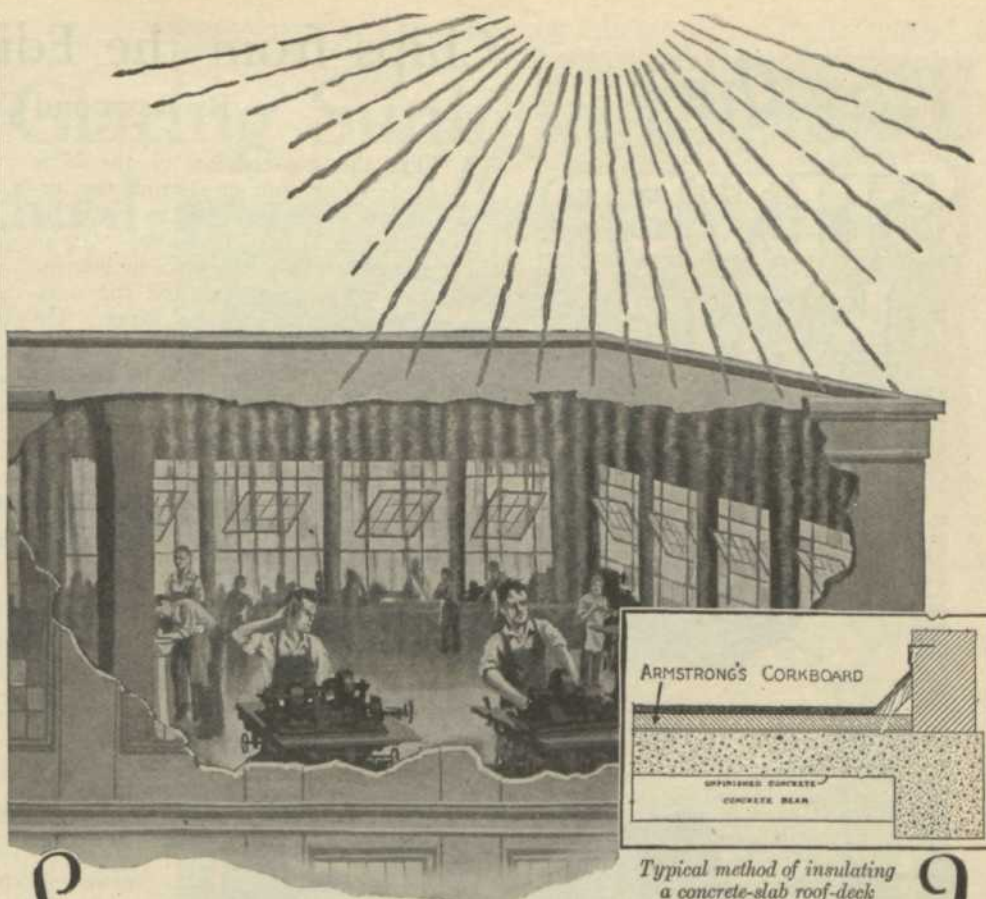
THE DEMAND for the Building Code Committee's report on Recommended Building Code Requirements for Working Stresses in Building Materials, which was printed in December, 1926, quickly exhausted the Superintendent of Document's supply of 5,000 copies. The paper has been reprinted and is again available at 10 cents per copy.

Recommended Building Code Requirements

COPIES OF THE STANDARD State City Planning Enabling Act are now available for distribution at the division of building and housing of the Department of Commerce. This act is issued for the information and guidance of states which are considering the adoption of city planning legislation and covers (1) the making of the city plan and the organization and powers of the city-planning commission, (2) control of subdivisions, (3) control of buildings in mapped streets, (4) regional plan and planning commission. A number of state legislatures are now considering bills based on the act.

Standard State City Planning Enabling Act

The division has continued its study of zoning progress in the United States. There are now a total of 480 municipalities reported zoned at the present time.



Typical method of insulating a concrete-slab roof-deck

Is Your Roof a Radiator?

Make It Heat-proof With Armstrong's Corkboard

UNDER the scorching rays of the summer sun, ordinary roof decks act as immense radiators that carry heat into the offices and workrooms below. Top floors and single-story buildings become unbearably hot. Efficiency falls off and the "summer slump" appears.

Shut off this unwanted radiator. Insulating the roof with Armstrong's Corkboard keeps most of the heat from going through it. No matter how hot the sun, the underside of the roof deck remains at practically air temperature. Instead of carrying the heat of the sun into your plant, the cork-insulated roof is a shelter against it that keeps workrooms many degrees cooler.

Stops Condensation, Saves Fuel in Winter

In winter, too, when the heat is on the inside, Armstrong's Corkboard roof insulation keeps it in. It makes the top floors easier to heat comfortably. It saves fuel, and it prevents condensation, or ceiling sweat.

You don't have to wait till you build a new roof or lay new roofing. Any roof, new or old, can be insulated with Armstrong's Corkboard. These two books tell how: "The Insulation of Roofs with Armstrong's Corkboard" and "The Insulation of Roofs to Prevent Condensation." Write for them to Armstrong Cork and Insulation Company, 195 Twenty-fourth Street, Pittsburgh, Pa.

Armstrong's Corkboard Insulation

for the Roofs of All Kinds of Buildings

Play the SILVER KING*



WHEN a par on the 18th will beat your best previous score, go after it hard with a brand new Silver King. The psychology of playing the best ball made means a great deal when you've got to make a score or break an opponent's heart. There's a big advantage in playing the best.

* Reg. U. S. Pat. Off.



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LOS ANGELES

Chips from the Editor's Work Bench

By Raymond C. Willoughby

WITH the organization of the Wise Birds flying club in Detroit, the airplane is put to a new use in behalf of faster business trips. It is the plan of the five men now in the club to increase the membership to fifteen, and the number of planes from one to three. The membership now includes Frank W. Blair, president of the Union Trust Company; Charles B. Bohn, president of the Bohn Aluminum & Brass Corporation; Newton W. Sullivan, president of the O. & S. Bearing Company; William B. Stout, head of the Stout Metal Airplane Division, Ford Motor Company; and Carl H. Keller, president of the Contractors' Equipment Company.

At a price of \$11,000 for a five-passenger plane, each member is to pay in \$2,200 for stock in the incorporated association. When he makes use of a plane, he must pay into the treasury \$4.08 an hour for depreciation, as well as for gasoline and oil consumed. By this arrangement a member has all the advantages of owner-



ship without the burden of first cost. Other charges to be met by the club include storage at the rate of \$25 a month for each plane, and the salaries of two pilots at \$300 a month each.

A business flight from Detroit to Peoria by way of Chicago, and return, made in 9 hours and 13 minutes, cost \$79.80—about \$8 an hour or 8 cents a mile. By railroad, the one way fare for one person is about \$22. With the airplane charges prorated among several persons, the comparison would become more favorable to the air transportation. When only one member flies, using a plane is more expensive than using a train. For example, five of the members flew from Toledo to Detroit in 31 minutes at a cost of about \$3.50 each. Five people would have to pay a total of \$10.35 railroad fare.

The prosaic details of operating and service costs help to show how far the airplane has progressed from romantic novelty to recognized utility in the new competition faced by business. True, aviation is still highly flavored with the unusual, though the Detroit enterprise serves notice that in "news value" the workaday plane is likely to become as routine as a stock market report.

ABOUT the lives of the gentlemen who name our sleeping cars we know little. All the evidence is in favor of regarding them as resourceful romancers—excepting, of course, such transparent prosing as "Klimwoc." But in a related ca-

reer there is current report of a devastating difficulty—the gentlemen who name the White Star boats have run out of appropriate "ics." True, the void has been filled by volunteers, though it is still a question whether passengers could stomach all of the six thousand suggestions. As pointed out by the *Manchester Guardian Weekly*, "a little variety might be given to the profusion of possibilities by arranging them in pairs of twin vessels."

So, on that recommendation, might be the Allegoric and the Paregoric, the Tonic and the Teutonic, the Academic and the Epidemic, the Aulic and the Hydraulic, the Symbolic and the Carbolie, the Colic and the Bucolic, the Pneumatic and the Dogmatic. A bit too clinical might seem the Lactic and the Prophylactic, though there would be an obvious propriety in having the Cosmetic follow the Emetic.

POSSIBLY some Americans now living can recall having looked upon an English distillate of the juniper berry, and if they did not mix their labels they would remember that pale liquor as Gordon gin. So far memory might take them, but it is not likely that the name and title of George Godolphin Osborne, eleventh Duke of Leeds, would signify much. Well, the duke is dead. In his lifetime he built an enormous fortune from the making of Gordon gin and "Hollands." The 25,000 Yorkshire acres he inherited with his title were of little value for agriculture, but they did nourish a rich stand of juniper bushes, and the duke found paying use for the berries. Of course, there was proper precedent for putting the dukery to profit, for it was written that

Lord Stafford mines for coal and salt,
The Duke of Norfolk deals in malt,
The Douglas in red herrings.

Or, like as not, the Yorkshire version of the old saying was "great dukes from little berries grow."

AFTER checking up on wind velocities in Nebraska, the Weather Bureau, co-operating with the Nebraska State Agricultural College at Lincoln, is about prepared to say that farms can be lighted by means of wind machines. The problem is, of course, to harness all the loose horsepower in the unlimited debate over agricultural relief—to get out the volts instead of the votes.

ANOTHER argument for the metric system has been set off with consideration of the Olympic games at Amsterdam next year. This reasoning runs that American legs, trained to run in English measure, would be more likely winners could they be timed in practice by the metric units that will be official on the other side. To expect this country's record-breaking arms and legs in the heat of competition to be able to translate the more familiar inches, links, rods, perch, chains, furlongs, hands, spans, and the several varieties of miles into triumphant

Instantly! Glaring Sunlight Changed To Soft, Subdued Daylight!

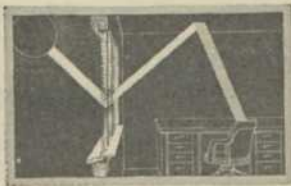
—Draft Controlled!

You Can Work An Amazing Transformation In Your Office By Controlling Daylight and Draft This Modern Way.

IMAGINE the pleasure in freedom from the distraction of bright, glaring sunlight. Imagine the satisfaction to note an entire absence of annoying draft. And imagine the result—your office softly lighted with restful daylight and ventilated with a free circulation of fresh air.

You will enjoy the change of environment *Western Venetian Blinds* will make. You will appreciate the convenience of this modern window equipment which so easily and quickly controls daylight and ventilation. With only a twist of the wrist, you can shut out glare and control the intensity and distribution of daylight; you can shut out draft and control ventilation.

Now, more than four thousand banks, including Federal Reserve Banks in fourteen cities, five hundred office buildings, and thousands of corporations use *Western Venetian Blinds* because the service is unequalled, the economy unmatched. Mail coupon for the complete story.

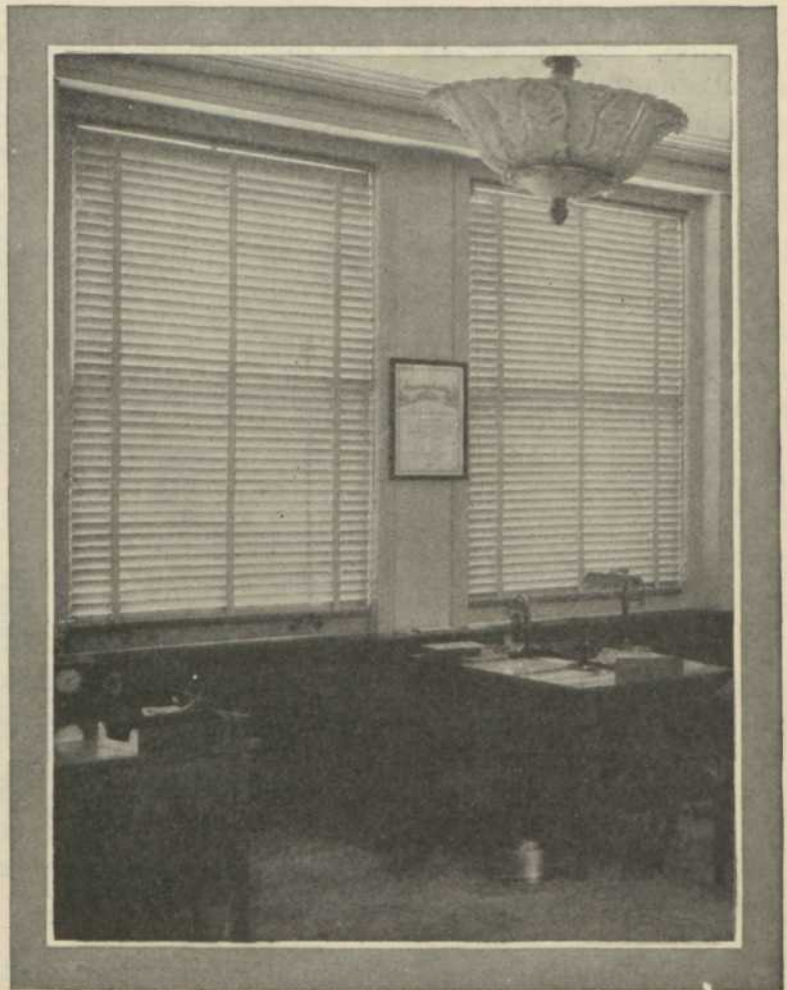
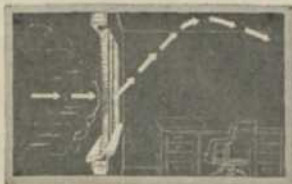


How a Ray of Light Travels via Western Venetian Blinds

Each ray of bright sunshine is reflected and diffused into soft, restful daylight, thus eliminating blinding glare.

How an Air Current Travels via Western Venetian Blinds

Air currents are diverted upward by the adjustable slats, thus providing a free circulation of fresh air, yet eliminating draft.



Equip a window with a Western Venetian Blind and you transform a mere opening in the wall to a unit of illumination. The total window area is utilized to admit daylight, yet light rays are so reflected and diffused that glare is eliminated and the abundance of daylight, softened and subdued, is widely distributed.

Western Venetian Blinds

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Gentlemen: Without obligation to me, please send me copy of your free book.

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AN ANNOUNCEMENT

For nearly a year the Illuminating Engineering Laboratory of the General Electric Company, under the direction of Mr. W. D'Arcy Ryan, has been conducting exhaustive tests to determine the light-reflecting efficiency of various surface finishes in Terra Cotta.

This study was undertaken for the National Terra Cotta Society on behalf of the Terra Cotta industry in the United States. It was due to recognition of the public importance of minimizing the cost of illumination by reducing the necessary consumption of current required for a desired result or permitting greater illumination for the same expense. Part of this research was to develop also the splendid, artistic effects in color of which night lighting is capable.

Building illumination costs are directly affected by the light-reflecting efficiency of materials used in construction. Fifteen feet above the sidewalk the modern city street ceases to be an avenue of communication and becomes a light court. Necessities of artificial illumination within the buildings depend directly upon the amount of daylight reflected into the windows by opposite and adjacent walls.

The cost of street lighting is similarly affected by the light-reflecting efficiency of building facades. In the new art of illuminating building exteriors, with its boundless possibilities of superb "night architecture," the expense heretofore necessary has deterred property owners and communities from thus making famous their principal buildings and thoroughfares.

The results of this joint research now enable the Terra Cotta Industry to place at the disposal of architects surface treatments which greatly reduce the cost of artificial illumination and give effects of colorful beauty unapproached by any other material. Inquiries from those interested in applying these developments to contemplated buildings will be welcomed gladly by this Society or by any of its member companies.

NATIONAL TERRA COTTA SOCIETY

19 West 44th-Street

New York, N. Y.

meters, kilometers, and the like is a rather calculating kind of patriotism. It could be argued as plausibly, of course, that neither the English nor the metric system is the full measure of a champion. Superior to the cold mechanics of contest must always be the unfaltering will to win—the sort of soaring courage that kept a Greek courier going until he could give anxious Athens the victorious word of Marathon.

A PROTRACTED reference to the assorted assets of the bustling old Atlantic Coast Line gives no reason to suspect it of harboring romance, though evidence is now in hand to show that it does not regard the movement of passengers and freight as the sum of railroading. By including "Let's Go Fishing" in its series of folders on Timely Railroad Topics it reveals that it is attuned to the seasonal urge that sets northerners a-traveling southward long before the first spring thaw.

All, it seems, are fishermen under the skin. In the company's proffer of hospitality is no discrimination between the folk who need a tremendous amount of costly apparatus in order to enjoy the sport, and the simple souls who find ample solace in a willow wand, a string, a bent pin, and the unvarnished worm. And who could think the railroad business barren of day dreams after reading of those "little shaded cricks" on pages breathing the scent of yellow jessamine, of violets and swamp honeysuckle, of young growing things?

And just by way of tempering the rhapsody over earthly delights, perhaps, is included the inimitable picture drawn by Don Marquis of.

Noah and Jonah and Cap'n John Smith,
Fishermen and travellers, narreratin myth,
Settin' up in Heaven all eternity,
Fishin' in the shade, contented as could be—
I hope for Heaven when I think of this,
You folks bound hellward, a lot of fun you'll miss!

Or it may be that the railroading instinct could not refrain from advertising the blissful destination of three famous travelers who made the most of their stop-over privileges.

NOW THAT Moscow has announced that capitalistic athletes have no chance to enter the bolshevist track and field games next year, it will not be gambling for any visitor to lay something "on the red."

OFFHAND, almost any American would contend that the United States leads the world in the domestic use of electricity. But the fact of the matter, as reported by the Department of Commerce, puts us sixth, with 56 per cent of the homes wired for electric service. Above this country are ranked Switzerland with 96.5 per cent, Japan with 73.4 per cent, Denmark with 72 per cent, Canada with 62.3 per cent, and New Zealand with 59 per cent.

Though the figures may seem to rate America a backward nation, the retarding of electrification by our tremendous areas of sparsely settled country must be regarded as an extenuating circumstance. Most of the countries of the old world

have dense populations, and even in Canada and in New Zealand the greater fraction of their populations are concentrated in relatively small spaces.

These percentages aside, it is worth knowing that this country has more than 16,500,000 electrically equipped homes—approximately as many as the rest of the world—and that it consumes yearly about as much current as all the other countries.

AN OFFICIAL measure of America's increasing capacity for ice cream is provided by the census bureau in a comparison of the value of the product in 1925 with the value in 1923—\$286,175,686 against \$259,966,987. For the quantity made and dispensed in 1925 the estimates vary from 244,582,000 to 323,000,000 gallons. That's "nearly three gallons for every man, woman and child in the United States," a statistician kindly explains. Of course, the figures only stand for factory-made ice cream. There must be immense quantities home-made. And further qualification is needed for the consumers' shares. Rating men and women on a con-



sumption equality with the small boy ignores the outcome, or rather the "ingo," at all recorded competitions.

Apart from the consumers' interest in ice cream is the interest of the makers of refrigerators. In 1925, the industry used about 60,000 motor compressor units, and now, says the *Industrial Bulletin*, issued by Arthur D. Little, Inc., of Cambridge, Massachusetts,

the immediate market for units to refrigerate ice cream cabinets is probably over 200,000, and the demand for a really long-life, service-free unit is tremendous. It is worth observing also that this huge quantity of ice cream is trucked about in company with several times its weight of ice. The future probably will see the development of a truck mechanically refrigerated and saving much of the large costs in transportation and distribution which the industry is compelled to sustain at present.

WELCOME assurance that the business literature of an earlier day will be collected and preserved is provided through the work of the Business Historical Society of Cambridge, Massachusetts, and Columbia University in New York. Just why collectors of antiques have neglected the business field is not quite clear, for certainly the essential requirement of rarity is easily satisfied, and there is also an inviting overplus of romance in old account books, reports of voyages and discoveries, charters and grants, bills of sale—in all the fragmentary business records that give luminous insight into the customs and manners of a bygone age.

To estimate the usefulness of these primary sources of business history, it is only necessary to take stock of the treasures

NEWSTEEL SHEETS are ENGINEERED



Partitions made from Newsteel Sheets maintain their beautiful finish unharmed by years of service.



Hoods made from Newsteel Sheets are beautiful in line and their fine finish is indefinitely preserved.

GUESSWORK and rule-of-thumb practice can never hope to meet the stiffening requirements of manufacturers using sheet steel in their products. Science must replace them. Control must be substituted for hoping.

So, in good steel sheets—Newsteel Sheets—each sheet is "engineered", planned, specified, scientifically designed to meet definite requirements. Our chemists and metallurgists and practical shop experts are called into consultation. Metal formula and structure, gauge and strength, are decided upon. According to the work the sheet must do, it is subject to annealing, single or full pickling, cold rolling, stretcher leveling or full finishing . . . any one or any combination of the vital processes necessary to produce *specified* steel sheets.

Because Newsteel Sheets are engineered, you can depend upon getting satisfactory results with less waste in time, labor, and material.

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Paint More At Less Cost

If you are now using hand methods on your maintenance painting, you can do twice as much work at no extra cost—do what you are now doing for 50% less. A Matthews Mechanical Painting Equipment will show an enormous saving. Investigate. Write for the 12 page booklet, "Mechanical Painting for Maintenance." It will answer your questions, cite actual experiences of



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SAM WILSON and PAUL RODMAN

THEY were two partners in business who had the foresight to anticipate the event which happened, the sudden death of one of them.

It was Rodman who died, and he was the backbone of the management. But the business continued its growth because partnership insurance tided over the necessary reorganization.

The story of these two men and how they made their plans is told in "A Properly Anticipated Event," a booklet which your local John Hancock office will be glad to send you, or it can be obtained by writing to Inquiry Bureau,

John Hancock
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

197 Clarendon St., Boston, Mass.
NB

already brought to shelf. For example, the text of "Panoplia," printed in 1568, describes the arts and crafts of the sixteenth century, and its quaint woodcuts portray the costumes of the times from "the simple working garb of the potter to the fuss and feathers of the knight."

For making visible the perils of navigation there is the plain eloquence of James Chute, whose letter tells about the grounding of his ship near Port au Prince in May, 1787—"I then applied to the Commadore Who Asisted me and got the Vessel in to Town But Was Obligue to run a ground for Seventy Men Could Not keep her free . . ." And English "publick" accounts for the period 1702 to 1710 disclose that the effects of "Kid ye Pyrate" to the amount of £6,472 were made over to the treasurer of Greenwich Hospital.

From a prosaic set of household account books, the domestic life of New Bedford's whaling families has been recreated. No less fascinating is the measure of interest in the incomes of rich men, as revealed in the New York "Income Record" for 1863. Included were all New Yorkers with incomes of \$150,000 or more a year. Among them were Wm. B. Astor, Peter Lorillard, Samuel Lord, C. Vanderbilt, Wm. E. Dodge, Peter Goelet, and A. T. Stewart—their names published to satisfy "an imperious public curiosity." In that ingenuous phrase may have lurked the hardy germ of the modern questionnaire.

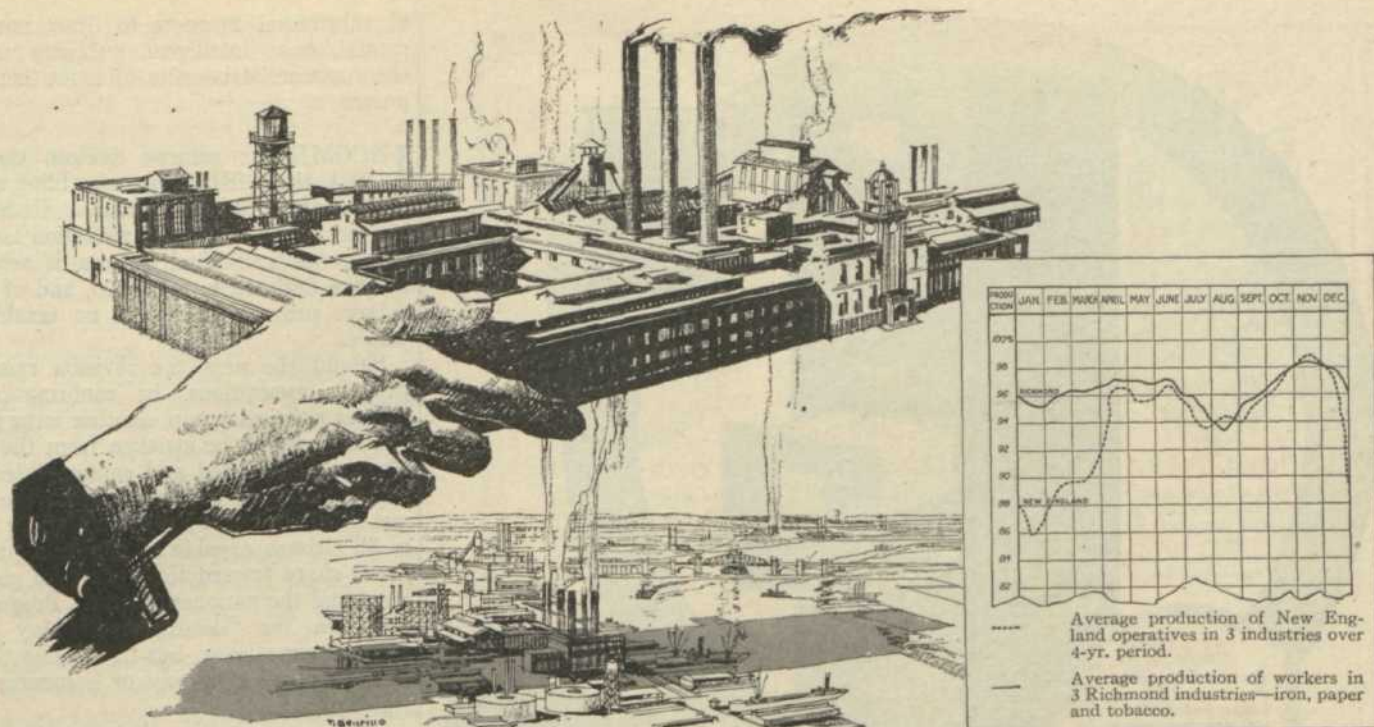
More dramatic is the notice of the reward that was offered by the proprietors of the Boston, Salem & Newburyport "magnetic telegraph" for information about the stoning of its "wires, glass caps and other fixtures." Just to know that boys would be boys, even in 1848, is enough for believing that business history, at least, is not bunk.

IT WAS appropriate for the citizens of Mineral Wells, Texas, to celebrate the opening of the new Crazy Hotel there with an observance of "crazy week." Of course, if the hotel pitchers caught the full spirit of the occasion, they may have been cracked or "crazed" before going to the wells. On its face, the program of banquets, golf, baseball, and handshaking looks safe and sane enough.

ALL FOR giving the South a leg up to the industrial saddle is W. B. Shafer, Jr., of Norfolk, Virginia. Advertising, he argues, would provide the necessary lifting power.

In his mind is the desire to induce each southern state to spend a million dollars a year for five years in advertising its own resources and business advantages, and the excellencies of the South in general. The organization of an educational campaign to be nourished with a fund of \$75,000,000 is in itself an enterprise to command attention, even in this age of super-superlatives. Governor Byrd of Virginia and Governor Martin of Florida have approved Mr. Shafer's soaring idea, a Norfolk report assures.

Certainly the plan gives ardent promise of quickening national interest in the South's industrial prosperity. It should not be hard to attract long-pull, rather than speculative investment, for there is no lack



The Greatest "Moving Day" Industry Ever Experienced Locating a Gigantic Chemical Plant

Before any concerted effort had been made to exploit the Richmond Area, the Allied Chemical and Dye Corporation announced its decision to make here an investment of startling proportions. The gigantic chemical plant which is being laid out in the James River Basin is, in initial size, one of the largest industrial developments in this country's history.

With an investment of many millions of dollars to safeguard, the engineers charged with the responsibility of locating this plant took nothing for granted. The claims of many communities were weighed with the same scientific exactness with which the by-products of coal are analyzed.

The significance of their decision to locate in the Richmond Area will not be overlooked by thinking manufacturers who are studying the problem of plant location. Few of them have the facilities for making a study as thorough as the one made by the

highly trained specialists employed by this corporation.

Situated midway between the richest section of the South and the greatest markets of the world, with low rail and water rates and cheap power, Richmond's advantageous geographical location is obvious. A plant here makes unnecessary the expense of "decentralizing" with a double overhead.

Other factors to consider in plant location have been subjected to the most careful study, and the results of these investigations have been compiled for your benefit. You will be obligated in no way by laying your particular problem before us.

Industrial Department
Richmond Chamber of Commerce
Box 100, Richmond, Va.

RICHMOND VIRGINIA

"AS FAR SOUTH AS YOU NEED COME FOR LABOR AND SOUTHERN DISTRIBUTION; AS FAR SOUTH AS YOU CAN COME FOR QUICK TRANSPORTATION NORTH BY RAIL AND WATER"

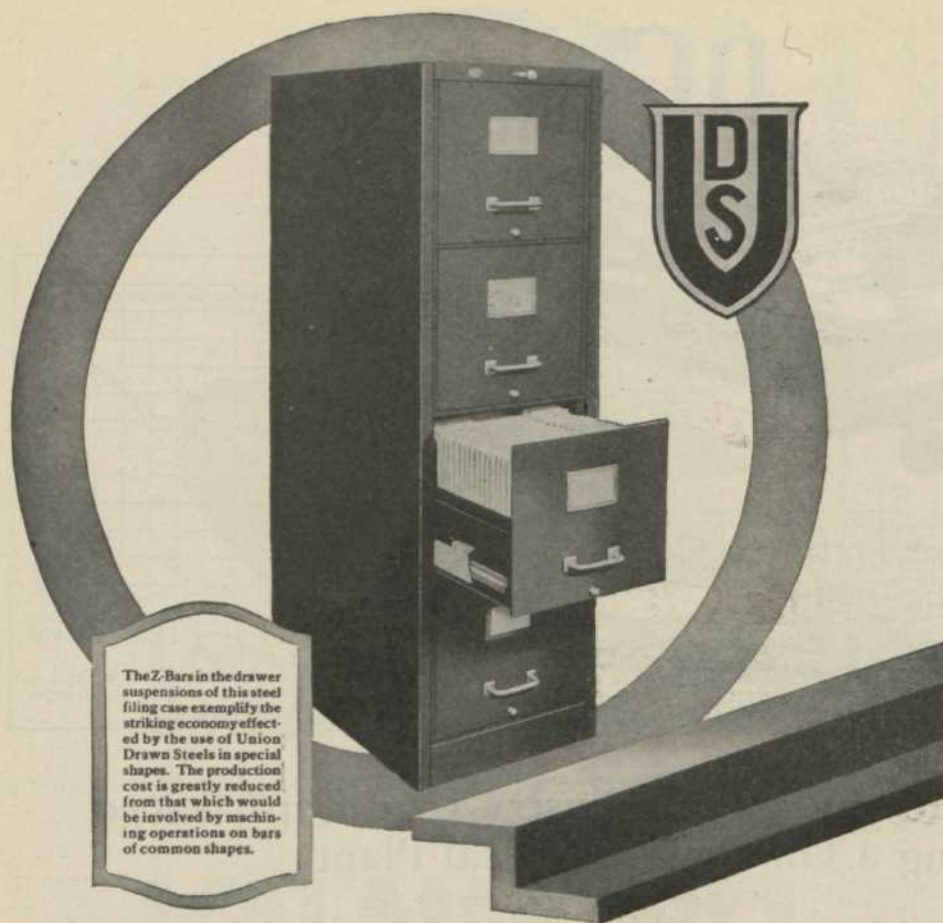
A savage snatch almost wrests the rod from your hand. Clear out of the water comes a glistening, shiny body—10 pounds of fighting fury with red gills showing.

Man, what a thrill to hook those fighting big-mouth bass, savage pike and never-say-die striped bass in the rivers around Richmond! Those historic Indian streams—the Pamunkey, Mattaponi, Chickahominy, Piscataway and Piankatank provide a sport that all can enjoy.

Write for a free copy of "Joys of Living in Richmond" telling of hunting, fishing, golfing, boating and touring the most historic spots on the American Continent.



When writing to INDUSTRIAL DEPARTMENT, RICHMOND CHAMBER OF COMMERCE, please mention Nation's Business



Many manufacturers frequently adopt Union Drawn Steel Bars of special shapes in order to reduce operating costs, simplify production and accomplish improvements

UNION DRAWN STEEL CO. *Beaver Falls, Pa.*

UNION DRAWN STEELS



When writing to UNION DRAWN STEEL CO. please mention Nation's Business

of substantial magnets to draw northern capital, once intelligent publicity reveals the commercial benefits of a southern exposure.

INCOME tax returns disclose that, in 1924, the 4,489,698 persons filing schedules reported taxable incomes. Under the last tax revision and tax reduction law the number of individual returns is reported to have declined to 3,250,000, and of these a large proportion showed no taxable incomes.

Should the next tax revision raise the present exemptions, in confirmation of current political gossip, another large group of names would be stricken from the rolls. These accomplished and contemplated discriminations are departures from the original intent to make the system apply fairly to all citizens capable of paying a proportional share toward the upkeep of government and the national defense. Progressive provision for "deadheading" may serve political expediency, but it will put the income tax law in a way of becoming class legislation.

On the presumption that "taxation without representation is tyranny," it is a fair question whether representation without taxation is democracy.

ONLY IN the perfection of preparedness could millions of men spring to arms overnight, but political broadcasters probably would be satisfied could they get our 6,500,000 radio-set owners to spring to their receivers as one man. From Mark Antony down, the proper passwords to political preferment have been "... Lend me your ears."

SENIORITY, if no other reason, should rank Andorra ahead of all the venerable establishments that have never missed a dividend, for that miniature republic has declared its 649th tribute to France and Spain. The latest price of its undisturbed sovereignty was 1,400 francs or about \$56. Under the firm quotations that once ruled among some of our political overlords, that figure would not have assured protection for even precinct privileges. But in this case, the five thousand citizens probably care less about compulsion than for keeping alive an old Andorra custom.

THOSE SIGNS on Indianapolis trolley cars carry good advertising for a public utility, but the fact that "290,000 people are now saving money by riding the street car" is no credit to automobile salesmen.

THE FUNERARY fancy that painted "the muffled drum and the plaintive fife" would be hopelessly out of step with the mortuary tempo of this age. Cheerfulness, color and personality are now the characteristic keynotes by report of E. S. Ferguson, of West Palm Beach, president of the Florida Funeral Directors and Embalmers' Association. Delegates to the state convention at Tampa also heard that burial garments now take their cut from modern style trends. In a land of flowers it is easy to believe that "more graceful

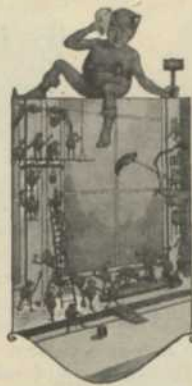
designs have taken the place of the stiff funeral wreath" of immemorial custom.

While these amendments of usage invite new wonder of what we are coming to, the most futuristic aspect lies in the convention display of bright-hued coffins—"color," surely, though the "personality" is not quite so apparent. But here, at last, is the promising substance to revise a circus man's appraisal of a funeral procession—"Only one open den and no flash."

TO TELL more of the world of the wonders of Bakelite its producers have rigged up a motor caravan, "a pilgrimage of ideas," as the corporation defines it. From city to city the caravan will carry its educational exhibits of "the material of a thousand uses." More than two hundred manufacturers have contributed to the display products of which Bakelite is a structural part. For a measure of variety may be cited typewriters, adding machines, check writers, percolators, motors, surgical instruments, surveyors' transits, fishing reels and saxophones. Besides these instruments of business and recreation stand evidences of Bakelite's part in the building of houses, in the lighting of theaters, in the operation of subways, and in the maintenance of telephone service. By this mobile enterprise public consciousness of the new era of business competition is quickened and advanced through visual interpretation. Going to the customer mountain in motor coaches, rather than practicing the Mahometan precept afoot, is a characteristic revelation of the alert and resourceful spirit of this age.

NOW ON view are two illuminating offsprings of the venerable trade truism that changes of fashion can bless or depress business. In Washington a transfer company is seeking to increase its rates on baggage on the ground that the shrinkage of women's wardrobes has seriously decreased the size and number of trunks handled—from 266,107 in 1919 to 168,000 in 1926. On the profit side is the enthusiasm of the American Gas Association for the vogue of light-colored stockings, washable gloves, fancy scarfs, and the silken "unmentionables." For washing these articles of fashionable faith, warm water is needed, and the more water, the more gas required. At loss or at profit, commerce has little choice in serving fashion, though it is clear that servitude would be easier were the sovereign less whimsical about the set of the collar.

WELL into the shaving age itself, the Gillette Safety Razor Company made occasion of its silver jubilee to tell about the world-wide uses of its products. In twenty-five years this company has sold 70,000,000 razors, and 3,500,000,000 blades. Almost 600,000,000 blades were sold last year. The daily productive capacity is now 150,000 razors and 2,500,000 blades, a figure signifying more than 118 miles of shaving edge turned out every working day. To borrow a line from the advertising, no stropping or honing is now needed to put a fresh edge on the dull wheeze about finding a place to throw old razor blades.



RUST-PROOF
Old Man Rust with his ever-active organization, fails in his attack on Kawneer Nickel-Silver Windows.



DRAFT-PROOF
There are no cracks in Kawneer Nickel-Silver Windows through which Old Man Draft and his omnipresent organization can enter.

POSITIVELY

**RUST-PROOF
DRAFT-PROOF
DUST-PROOF**

**—
WILL NOT
RATTLE
OR BIND**

**KAWNEER
SOLID**

NICKEL-SILVER WINDOWS

are suitable for any building anywhere. Being absolutely rust-proof and weather-tight, their first cost is final. During any stage of this window's service, painting is unnecessary.

Send for portfolio and miniature demonstrator.

**THE
Kawneer
COMPANY**

1219 Front St. Niles, Mich.



Interior View of Office



Interior View of Residence



Tribe of K Building
Hammond, Ind.
Charles W. Nicol
Arch.



First Trust and
Savings Bank
Hammond, Ind.
Weary & Alford
Archts.



Woonsocket Fire House
Woonsocket, R. I.
W. F. Fontaine
Arch.



Pi Beta Phi Sorority House
Lincoln, Neb.
Davis & Wilson
Archts.



St. Augustines Parish
Kalamazoo, Mich.
Cram & Ferguson, Archts.
LeRoy & Newlander, Associates



Over 300,000 Now in Use

I am interested in Kawneer Nickel-Silver Windows. Without obligation send portfolio and miniature demonstrator.

Name _____

Address _____



"You Must Have Spent Years on Shorthand" No; I Learned it in 6 WEEKS!"

HER employer laughed aloud. "Six weeks! You're joking, Miss Baker. No one could learn shorthand in six weeks. You have been with us about a month and you are by far the most competent secretary I ever had. Surely you don't expect me to believe that you gained your present speed and accuracy in only six weeks! Why—a great many of our stenographers have studied shorthand for ten months or a year or more and still they make a great many errors."

"That isn't their fault, Mr. Chapman. Old-fashioned shorthand requires months of hard study and practice, and even when it is mastered it is difficult to read. But Speedwriting is very easy. I—"

"Speedwriting? What's that?"

For answer the girl handed the big business man her notebook.

"Why, this is remarkable, Miss Baker. It's in simple A. B. C's!"

"Yes, surely. That's how I learned it so quickly. *Anyone* can learn Speedwriting. There are only a few easy rules. There are no hooks or curves; every 'character' you use is a letter you already know—one that your hand needs no special training to make."

"Well, that's the most remarkable thing I ever heard of. I could use that myself at board meetings and a dozen other places. You can write it rapidly, too!"

"One boy I know who studied Speedwriting in his own home, took court testimony at the rate of 106 words a minute after only 15 hours of study."

"Miss Baker, where can I get some literature on Speedwriting? I really believe I'll take it up myself."

Two months later Mr. Chapman and all his stenographers were Speedwriters!

Speedwriting

The NATURAL SHORTHAND

Tens of thousands have been freed from the drudgery of the old-fashioned methods of learning and writing shorthand by this marvelous new system, which may be written with a pencil or on a typewriter; can be learned in a third the time needed to master any other system; is more accurate, and can be written with amazing rapidity.

Mail the coupon to-night. It will bring you an illustrated book full of examples and stories of successful Speedwriters all over the world. No matter what your need for shorthand may be—you can fill that need better with Speedwriting.

BRIEF ENGLISH SYSTEMS, Inc.

200 Madison Ave., Dept. 10277, New York City
also offices at

1415 Royal Bank Building, Toronto, Ontario

Transport House, Smith Square,
Westminster, London, England

BRIEF ENGLISH SYSTEMS, INC., 200 Madison Ave.,
Dept. 10277, New York City.

I do want to know more about Speedwriting. You may send me the free book without obligation on my part.

Name.....

Address.....

City.....State.....

Business Views in Review

By ROBERT L. BARNES

INSTEAD of reviewing the progress of the last six months, this article is going to try to present to its readers a review of the problems that will face business men on their return from vacations. It may also serve the useful purpose of, not "seeing ourselves as others see us," but of seeing others as they see themselves, which is just as important. If there is any comfort in knowing that others are worse off than we are ourselves—and we doubt that there is any comfort in knowing that—then here is a chance. It may possibly brighten the vacations of some.

Distributive conditions may often be gauged by the number of failures. From *Advertising and Selling* we get these figures. "There were 3,633 grocery failures in 1926, which is a larger number than in five years past. Clothing dealers are next in number of failures with 2,058, and then in order come general stores, 1,217; dry goods, 1,021; restaurants, 928; drugs, 623; furniture, 606; shoes, 597; hardware, 430; jewelry, 406.

"The failures, except in the grocery and drug fields, are all fewer in number than in the previous year (1925), although the total retail failures are slightly in excess of 1925. The line of trade that showed the greatest decrease in failures from the high peak of 1922 is shoes, and the line showing the greatest increase is restaurants. Those which show an increase over 1922 are grocery, drug, furniture, paint, books, restaurants."

THE GROCERY TRADE

"The Chain Store Menace" is the title of an article in the *San Francisco Grocer* by E. A. Stowe, editor of the *Michigan Tradesman*. Mr. Stowe finds the chief difficulty is the inefficient merchant who is vociferous in denouncing the chains and admitting his own inability to compete. The businesslike grocer can compete and does, though it is a hard long row to hoe.

Another problem that is not at all limited in interest to the grocery trade is discussed in *Commercial Outlook*. Resale price maintenance has been discussed a good deal, and in attacking it, the article points out:

"Price maintenance, as generally understood, will not work, because, first, the manufacturer is not in sympathy with said method, for the reason that by raising prices at retail, arbitrarily, his volume is slowed down; second, the chain store managers are not in favor of it because it does not permit said system to express its savings at retail; and third, the large individual price cutter is not in favor for the same reason; and finally, the average retail grocer is not in favor of it because under its action, he, too, is not kept competitive.

"We are not blaming the individual grocer, the chain or the manufacturer. We believe there are other reasons why price maintenance is no solution in our competitive life, but the one outstanding reason why this policy does not accomplish the thing it was set up to accomplish is that it violates efficient merchandising, in that it brings the efficient man down to the standard of an inefficient man."

Standard market classes and grades have become the prime necessity of the live-stock marketing industry, according to the *National Provisioner*.

THE CANDY TRADE

Confectioner's Review believes that it is important for the National Confectioners'

Association to enlarge its activities. One of the projects that need attention is "periodical investigations of the products and merchandising methods of certain large manufacturers and distributors with the purpose to correct certain questionable practices that appear to be injuring the general industry." If the million dollar national advertising plan is to reach its full effectiveness, conditions within the industry should be cleaned up.

In discussing this same subject the *International Confectioner* writes: "It has been said often that a majority of the trade doesn't want reform, but only love to talk about it. The test will come at the Association's meeting."

THE SUGAR TRADE

From candy to the producing of sugar is not a very long step, at least not in mental orientation. We find in *Sugar* that "the restriction on sugar production in Cuba has had one very important effect upon the sugar factories in limiting automatically the period of operation. . . . This means a period of not over five months steady employment for a large number of the employees."

This has brought about a disastrous condition for factory operation and maintenance of organization. It is not to be expected that such a system will content men of character and proper training. There is here a real problem of developing a year-round program of employment.

TEA AND COFFEE TRADE

For the independent retail grocer it is more important to get ideas on how to move his goods than to get the goods. That is, a salesman who can help the grocer with ideas on merchandising is more valuable to his company than one who merely sells the grocer goods. *The Tea and Coffee Trade Journal* says in this respect:

"The National Coffee Roasters Association, it seems, has been working for some months upon interesting officers and representatives of many important associations of food manufacturers, jobbers, and retailers in a simple plan to assist salesmen in managing their territories along the suggested lines, which of course also means to cooperate with the food retailer practically in building up his business in volume and earnings. The responses from the other associations, we learn, have been so favorable that a general conference has been called, and there can be little doubt that a feasible plan will be worked out which will have the hearty support of the entire food industry."

THE GRAIN AND MILLING TRADES

"It was quite evident," according to *Modern Miller*, "that the Armour grain scandal would result in all kinds of attacks on the Chicago Board of Trade. . . ."

"The Kessinger bill before the Illinois Legislature proposes a political state control which would be a cure similar to burning of a barn to dislodge a polecat. The Kessinger bill found supporters on the general result of indignation. It is not likely to pass. Regulating a board of trade by persons wholly ignorant of grain trade functioning is not constructive and a bit of sanity is likely to govern this legislation."

Another of their problems is the attacks on white flour and its healthfulness.

"What is badly needed is to reach county, state and national groups of medical and dental societies to break down the false no-

NORTON FLOORS

Alundum Abrasive, a factor
in the Building Industry.

NORTON COMPANY
WORCESTER, MASS.

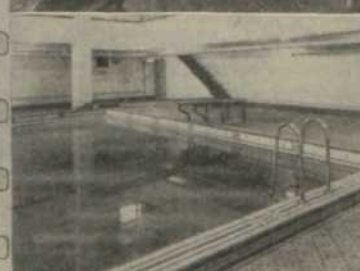
The electric furnace
abrasive "ALUNDUM", bonded
with other materials,
makes floors and
stair-treads slip-proof,
durable and quiet.



Norton Floors (ALUNDUM
TILES and TREADS) solve
the problem of railway
and subway stations,
eliminate shipping
hazards and stand
the test of years.



Norton Floors are adapt-
able to modern school-
houses and industrial
buildings. An artistic
product supplements
marble in hotel, hospital,
municipal and com-
mercial buildings.



The outstanding assets
of ALUNDUM TILE and TREADS
are long life and slip-
proof walking surface.
Next in importance is
the architect's oppor-
tunity for selectivity in
colors and arrangement.

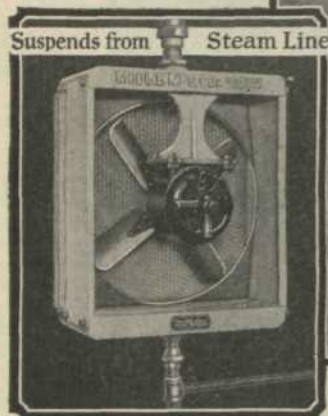
NORTON

Grinding Wheels
Grinding Machines



Refractories-Floor
and Stair Tiles

There's nothing else like it!



**Two Men
Can Install It
in 30 Minutes**

**Outlasts
Cast Iron**

**"Directed"
Heat**

THE Thermodine Unit Heater is different from any other—the lightest, the Unit Heater with the greatest prime heating surface for its size and weight. A 125 pound Thermodine Unit supplies the heat of 4900 pounds of direct radiation. Two men can install the Thermodine in 30 minutes, after piping has been completed.

Made from non-corroding metal, tested to 200 lbs. hydrostatic and 100 lbs. steam pressure, the Thermodine condenser is built for years of service. It cannot leak. Will not rust. Is freeze-proof.

The Thermodine Unit Heater suspends from the steam line, up out of the way. Conserves floor space. May be installed to supply heat any direction horizontally. Adjustable deflectors provide control for vertical direction of heated air.

The advanced Thermodine Unit Heater actually costs less than old type equipment. Send for complete facts now. The Thermodine also is widely used in drying processes. Special information sent on request.

MODINE MANUFACTURING CO.
Racine (Heating Division) Wisconsin
BRANCH OFFICES IN ALL LARGE CITIES

THERMODINE UNIT HEATER

FOR STEAM OR HOT WATER HEATING SYSTEMS

TherModine

When writing to MODINE MANUFACTURING CO. please mention *Nation's Business*

tions which have been accepted as truth without personal investigation of nutritional facts. Then local attacks should be vigorously challenged by millers and bakers, where such attacks are made in the newspapers, before clubs or medical societies."

THE DRY GOODS TRADE

Collective buying by retailers has a lesson for wholesalers, according to *Dry Goods Economist*, which prints part of a speech at the National Wholesale Dry Goods Association Convention, thus:

"Have manufacturers and their selling agents ever seriously considered the object lesson they are giving to wholesalers when they state that collective buying of retailers is attractive to them? If collective buying has any virtue, it can readily be adopted by wholesalers on many staple lines that could be developed in a large way under their own trade mark, and sold by thousands of our salesmen now regularly calling on 200,000 retail merchants."

The *Dry Goods Economist* comments on this as follows:

"The wholesaler feels very keenly the hurt of the practice followed by many manufacturers of selling the bulk of their goods through the wholesale trade, and depending on that trade to reach the immense but diffused market of the small town, while the cream—the big store and store group—is skimmed through direct sales from the mills.

"Big store trade is desirable; but isn't the alienation of wholesalers' good will a high price to pay for it?"

"It is not alone a question of alienating the wholesaler, either. The small retailer is not fond of being undercut by the bigger store, and when the latter can buy direct it is in a position to raise hob with the small fellows' prices. . . . the manufacturer thus exposes himself to losing all the market for his goods in a town except through the store which buys direct."

In the *Review* of the garment trade, Dr. Rogers, newly appointed head of the coat and suit industry, writes that among the problems to be tackled are research on the questions of hand-to-mouth buying, resident buying, overproduction, an increase in the number of seasons, and the problems of returns and markdowns.

The coat and suit industry is in a disorganized state, and the appointment of Dr. Rogers, who has wide knowledge of conditions, augurs well for the industry's future.

THE TEXTILE INDUSTRY

In an editorial entitled, "Spinners Face Facts," the *Textile World* points out that the spinners are in a tight place but are meeting the situation with deep seriousness. They have appointed a committee to investigate the situation from all angles. Two of the tentative suggestions are the setting up of a standard cost system and the study of the relationship of production and demand.

THE LAUNDRY INDUSTRY

Laundry owners in all parts of the country, according to the *National Laundry Journal*, are working in a fine cooperative spirit toward the goal of a billion dollar business by 1930. They are promoting group advertising, essay contests among school children, contests of various sorts, and money awards to women's organizations who muster the largest number of visitors. An interesting point is that the work is being promoted most actively in the second, third and fourth class cities.

BOOTS AND SHOES TRADE

Men's shoes are beginning to move, according to the *Boot and Shoe Recorder*. This

side of the boot and shoe business has been in the doldrums but it seems that progress is being made at last. For a long time there has been a great deal of promotion of this line and at last it is having its effect.

TRACTOR AND FARM EQUIPMENT INDUSTRY

Mail-order plow competition is bothering merchants in some sections according to *Implement Record*. The magazine goes on to say "the worst possible method of meeting such competition is to try to shame it away squarely and openly."

SHEET METAL

Markets are here today and gone tomorrow in this day of inter-industrial competition. We find an interesting example of this in the *National Sheet Metal Contractor*. To quote:

"A few months ago, the contracts awarded for bronze journals for railway passenger cars ran into very large figures. Many shops shared in this large business. Today one of the largest railway systems announces that its experiments with roller bearing journals leads them to anticipate the time when all cars will be so equipped. When it comes, what will happen to the shops now making bronze journals, to say nothing of the concerns supplying oiled waste for them and the thousands of employees who daily inspect these journals after each run?"

WHOLESALE

Commerce and Finance in a recent issue points out that "Cooperative Advertising is the Wholesaler's Way Out." In stating that it is easy to justify the wholesaler's existence the article quotes some figures from a survey of the textile industry on this phase. "... about 99,000 villages and towns with populations up to 10,000 use 58 per cent of all the cotton goods produced by our mills ... about one-third of the total production of cotton piece goods, approximately \$500,000,000 worth, is distributed by 1,128 wholesalers to 209,000 retailers scattered over three million square miles of territory. ... Only 10 per cent of the total sold is sold direct, by chain stores, and miscellaneous agencies.

"It would be ridiculous to assume that manufacturers would wish to exchange their 1,128 wholesalers' accounts for the 209,000."

The wholesalers have found that it is time to tell their side of the distribution story by advertising.

LUMBER

Lumber has been fighting for a place in the economic system, and according to *The Lumber Manufacturer and Dealer* its future is assured by the \$5,000,000 fund that has been raised for promotional activities.

Newly created synthetic products are encroaching on what lumber considers its own field. One of these substitutes we find described in the *India Rubber and Tire Review*. It is called "aeroboard" and "can be used practically the same as wood and in many cases can be worked into difficult rounded or curved shapes much easier than wood. It can be attached with nails or screws without danger of splitting. ... Tests showed that the rubber lumber withstood strains of great force ... under some conditions the material showed itself to be from two to five times stronger than wood." Commercial production at an early date is planned by the Goodrich Company.

According to *Southern Lumberman* the National Committee on Wood Utilization is attacking the problem of economical use of wood from the right angle in concentrating on the construction industry. In using what is called waste lumber, the economic factor is a determining one, and the knowledge of



Curbing the 4 o'clock toll ... of wasted energy

FAGGED OUT—and the peak of the day's work yet to come. Reserve energy wasted by daily hundreds of unnecessary steps, anxiety at needless delays, irritation at obsolete equipment unequal to the demands of the modern office.

Work itself is not the only drain on alertness and vitality. Far more harmful are the adverse conditions under which that work may be performed. Efficient office equipment means a bigger and better day's work, with much less effort—and plenty of reserve energy for the day to come.

But such equipment is no longer a mere hit-or-miss proposition. As now developed in *Globe-Wernicke Service*, it combines these three essentials: 1, the right kind of equipment

for your particular business; 2, its convenient, space-conserving arrangement; and 3, a knowledge of how to use it efficiently and economically.

Globe-Wernicke Service brings direct to you all that is new and practical in office layout and equipment. Facts, figures, and plans—derived from exhaustive research in actual office conditions—are now ready to be conveyed to you by trained consultants in office equipment, wholly without obligation.

Phone, write, or call on your nearest *Globe-Wernicke Dealer—today!* He will gladly send his consultant in office equipment, at your convenience. Or, if you prefer, just sign and mail us the coupon at the bottom of this page.

GLOBE-WERNICKE EQUIPMENT

includes

Steel Filing Cabinets
Steel Shelving
Steel Safes and Storage Cabinets
Sectional Bookcases
Safeguard Filing System
Visible Record Service
Miscellaneous Equipment

Descriptive literature on any of these items sent free on request. Use the coupon below.

Globe-Wernicke

OFFICE EQUIPMENT SERVICE



This emblem appears on the window of every dealer authorized and qualified to render *Globe-Wernicke Service*. Look for it

THE GLOBE-WERNICKE CO., Dept. N-7, Cincinnati, Ohio

With the understanding that I assume no obligation—

- ☐ Please have the nearest *Globe-Wernicke Dealer* arrange with me for an appointment.
☐ Also, please send free descriptive literature on the following items: (See Equipment List above).

Name

Address



A "Stop" Sign

TO the tired and hungry motorist, the United crest is a hospitable symbol of comfort, good food and moderate rates. Plan your trip to include stop-overs at the hotels of this great System. Write for road maps and travel information.

Hotels in the United System

NEW YORK CITY	<i>The Roosevelt</i>
PHILADELPHIA	<i>The Benjamin Franklin</i>
SEATTLE, WASH.	<i>The Olympic</i>
WORCESTER, MASS.	<i>The Bancroft</i>
NEWARK, N. J.	<i>The Robert Treat</i>
PATERSON, N. J.	<i>The Alexander Hamilton</i>
TRENTON, N. J.	<i>The Stacy-Trent</i>
HARRISBURG, PA.	<i>The Penn-Harris</i>
ALBANY, N. Y.	<i>The Ten Eyck</i>
UTICA, N. Y.	<i>The Utica</i>
SYRACUSE, N. Y.	<i>The Onondago</i>
ROCHESTER, N. Y.	<i>The Rochester</i>
ROCHESTER, N. Y.	<i>The Seneca</i>
NIAGARA FALLS, N. Y.	<i>The Niagara</i>
ERIE, PA.	<i>The Lawrence</i>
AKRON, OHIO	<i>The Portage</i>
FLINT, MICHIGAN	<i>The Durant</i>
KANSAS CITY, MO.	<i>The President</i>

In CANADA

MONTREAL	<i>The Mount Royal</i>
TORONTO	<i>King Edward Hotel</i>
HAMILTON	<i>Royal Connaught</i>
NIAGARA FALLS	<i>The Clifton</i>
WINDSOR	<i>The Prince Edward</i>
SAINT JOHN, N. B.	<i>The Admiral Beatty</i>



UNITED HOTELS COMPANY OF AMERICA

Executive Offices

25 West 45th St., N. Y.

Affiliated AMERICAN HOTELS CORP.



Affiliated Abroad: Important Hotels of U. N. I. T. I. Hotel System and Other Select Hotels; and, in the Orient, with the Japan Hotel Association, Tokio, Japan. *United Travel and Hotel Bureau*: European Headquarters—Paris, 6 Rue Caumartin; London, 7 St. James's Street, S. W. 1.

how to use such wood will be welcomed by the industry.

American Lumberman points out that more attention is now being paid to the finished structure rather than the component parts. "Enterprising dealers now stress the home rather than the lumber from which it is built, making capital of style, convenience and comfort, as well as emphasizing the wisdom of home building from the viewpoint of financial investment."

PAINT, VARNISH AND LACQUER

The first woman ever to address the advertising and sales conference of the industry "spilled the beans" according to the *Paint, Oil and Chemical Review*. Her point was that too much attention had been given to "Save the Surface," that men had been convinced of the utility of it, but that no attention had been given to teaching women how to paint, how to select colors and get color effects. Though there was much shaking of heads, it appears the problem will be given careful study.

MINING

"A new era in mining is rising above the horizon," writes the *Mining Congress Journal* in an editorial. It continues: "Methods of mining are being revolutionized through the application of mechanical appliances." It appears that the mechanization of mining is still in its infancy and that, though there are many difficulties in the way of its growth, these will be overcome as they have been in other fields of business.

Coal Age says in this connection that "the wise owner will buy for the mine to be rather than the mine that was." The speed with which changes come is shown in the statement in the same editorial that this problem was barely visioned last year.

The Black Diamond observes that the most important problem facing the coal industry today is market research. "A major part of the evils that beset the work of fueling the nation grow out of coal marketing methods. Cut-throat competition, surplus production and shortages, instability, public dissatisfaction, and general obstruction to progress are all traced to the inability of the industry to sell its products efficiently and profitably."

PETROLEUM

Overproduction is the oil industry's nightmare at the present time. According to Alan H. Temple, writing in *Commerce and Finance* on "How to Control the Oil Flood," the report of the Federal Oil Conservation Board, in which it was suggested that oil supply might be exhausted in six years, is not a complete picture of the prospect. If all the wells stop flowing, there is still left in the fields some 25 million barrels, enough for thirty years' consumption, which we may hope eventually to recover, according to this article. Then there is shale. But the important thing is this:

"The fact is that the oil industry shows the American system of maintaining free competition in business at its best and its worst. It was free initiative and enterprise which found oil and spread it cheaply over the land, and it is debauchery of that freedom which has caused the waste, demoralization, and losses."

A plan has been suggested by Messrs. Teagle and Farish for remedying this condition. To quote it in part:

"The procedure which we have to suggest is that, instead of the interested producers purchasing full interests in a definite subdivision of the wildcatter's block of acreage, they purchase undivided fractional interests in such block of acreage. Suppose, for ex-

ample, ten operators, including the wildcatter, thus came to own the entire block and the test well in common. Suppose the enterprise be managed through a committee or board representing operators and royalty owners and each participant reserves the right to claim his 10 per cent of the oil from every well that may be drilled on the property.

"Would not this course end the mad scramble whereby each operator now feels obliged to drill as many wells as possible and to produce as much oil as possible before his competitors beat him to it? Would not the producers in this simple fashion eliminate this greatest obstacle to the intelligent development of production?"

STEEL

New ideas are needed more than anything else in the steel industry, according to *The American Metal Market*. This applies equally well to other industries. This point is brought out in a discussion of the fabricated structural steel trades' large volume of business without profits. To quote:

"... in these recent years of increasing physical volume of trade there have not been enough new things, in commodities and service, not enough new ideas, to take up the slack resulting from increased efficiency, to furnish employment for the time and energy thus released."

SHIPPING

"Surveying the present depression in shipping, the memorandum (of the International Economic Conference) observes that it is unevenly distributed, and that the contraction in demand for tonnage is attributable to the following causes: (1) The substitution of oil fuel for coal fuel in an increasing proportion of the new ships; (2) the overland delivery of reparation coal from Germany, which lessens the overseas demand of recipient countries; (3) the decrease in coal cargoes due to increased economy in the utilization of coal and the adoption of alternative means of securing power on land and sea; (4) the tendency to use liner tonnage instead of tramp tonnage for merchandise; (5) the development during the war of the merchant marine countries bordering on the Pacific; (6) the general increase in the speed of vessels, increasing the number of trips made per year by individual vessels." According to the *Shipping World* a return to prosperity depends on the rate of scrapping of old ships, general demand for tonnage and on the demand for new types of vessels.

The Economic Consequences Of the Mississippi Flood

A GENERAL consensus of opinion seems to indicate that the Mississippi disaster will not greatly affect business. Of course, at the time of going to press, the flood has not yet run its course and it is impossible accurately to appraise the total damage. But the *Index* says: "Vast as the catastrophe appears to be today, the Mississippi flood is not likely to cause any great disturbance to either industry or agriculture."

"The work of reconstruction may create a shortage of labor for a time. The railroads, industrial plants, and highway and levee constructors will compete with the farmer for labor."

"It is to be hoped that the chief consequence of the flood will be the lesson that it must never happen again."

Barron's, though arriving at the same conclusion, takes its way there by a different route. Crediting Wall Street with discrimination, an editorial says: "Only in the rarest

Low-Priced Hydro-Electric Energy Soon to be Added to the Resources of LOUISVILLE

Premier Industrial Location of America

THE STRIKING GROWTH and industrial development of Louisville during the past several years are the result of the energy of its business men and the city's many natural advantages. In six years the population of Louisville increased 35%. Today it is a city of 325,000 people, 97% American born, the majority living in their own homes. Louisville's 812 factories are flourishing. They produce 350 million dollars worth of goods a year; 171 new industries have been established since 1920. Older enterprises have expanded. Very close to the center of population of the United States, Louisville is served by nine railroads, excellent terminals and the Ohio River. With splendid banking facilities, excellent labor conditions, abundant raw materials, coal, natural gas, and a large amount of local capital for investment, Louisville manufactured products include those mentioned in the list in the brackets below.

Great New Hydro-Electric Plant Now Under Construction

The tremendous power of the mighty Ohio River will soon be put to work for the benefit of Louisville's present and future industries. One of the Nation's large hydro-electric plants is now more than half completed—a conspicuous example of co-operation between the Government and commercially directed industry. Approximately 10 million dollars will represent the investment in this project, which will have a decisive effect in the advancement of inland navigation through the Ohio and Mississippi Rivers from the Alleghenies to the Gulf.

The characteristics of the Ohio Falls Power Development are such that its output of energy must be utilized for industrial power and to make possible exceedingly low rates to certain kinds of industries in which power is a dominant necessity.

Louisville is a well-built, modern city with beautiful parks, playgrounds, boulevards and residence sections. Educational, religious, cultural and recreational institutions are splendidly equipped. Its kindly traditions, engaging climate and beautiful environment are known to the world in story and song. To supply accurate information on industrial and commercial subjects and to assist in the development of new and established industries, the Louisville Industrial Foundation, a non-profit organization, with adequate capital, has been maintained for ten years.

The Louisville Industrial Foundation, a non-profit organization, with adequate capital, has been maintained for ten years.

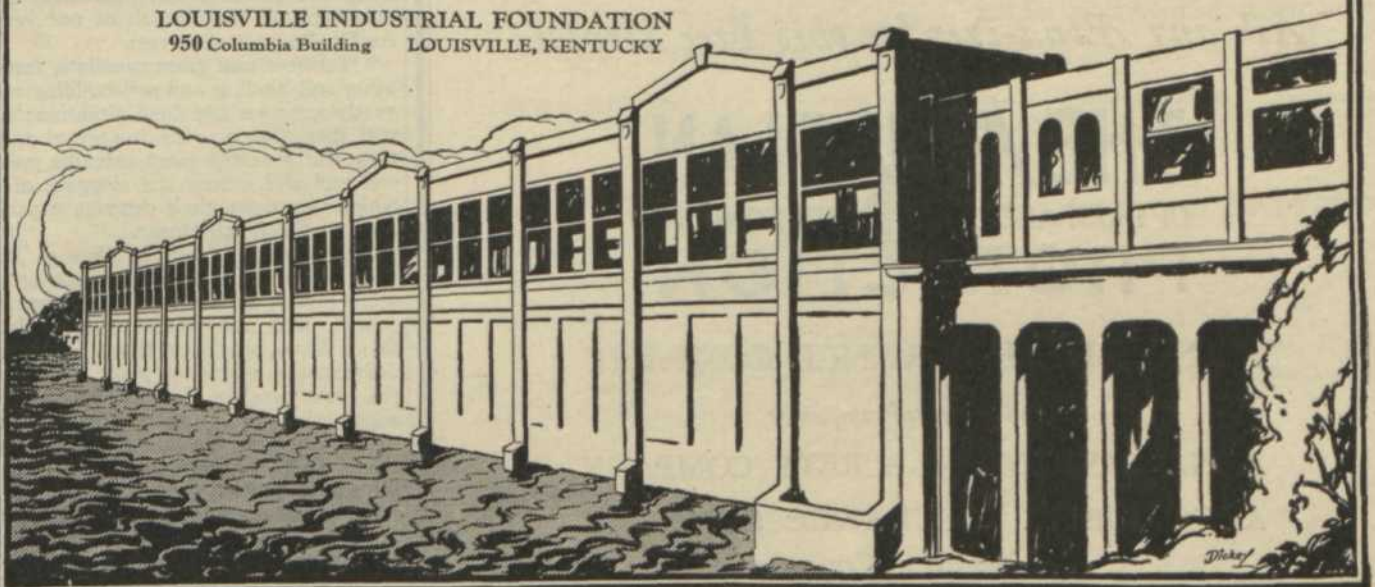
Send for Booklet and Complete Information

A new illustrated booklet describing Louisville, and complete information on specific subjects will be sent by this organization upon request.

LOUISVILLE INDUSTRIAL FOUNDATION
950 Columbia Building LOUISVILLE, KENTUCKY

Some of the Many Louisville Manufactured Products

Iron and Steel	Stone and	Plumbing Fixtures
Clothing	Monument Work	Carpets
Car Wheels	Mattresses and	Table Condiments
Chemicals	Springs	Screen
Fertilizer	Wood Creosoting	Canned Goods
Slaughtering and	Baseball Bats and	Petroleum Products
Meat Packing	Golf Clubs	Cement
Castings	Textiles	Leather Goods
Overalls	Concrete Pipe	Axles
Ladies' Apparel	Envelopes	Agricultural
Oil Refining	Hats and Caps	Implements
Drugs	Shirts	Grain and
Varnishes	Enameled Ware	Feed Products
Candy and	Mineral Water	Fireplace Fixtures
Confections	Umbrellas	Forgings
Hardwoods	Paints	Tobacco Products
Structural Iron	Bakery Products	Scales
Paving and	Millwork	Automobile Bodies
Roofing Material	Machinery	Shoe Laces
Harness and	Jewelry	Electrical Tools
Saddlery	Stoves and Ranges	and Supplies
Boxes	Signals	Surgical
(wooden & paper)	Water Heaters	Instruments
Furniture	Veneerings	Brooms
Radio Sets	Elevators	Refrigerators
Barrels	Pumps	Optical Goods
Pianos and Organs	Soap	Awnings
Mine Supplies	Pipe Organs	Automobile Tires
Ice Cream Products	Phonographs	Flour and Meal
Shoes	Tinfoil	Generators
Brick	Leather	Beds





The Insurance Survey—A New Service for Your Protection

EVERY Aetna-izer is equipped to provide this service under what is known as *The Aetna Plan of Insurance and Bonding Protection*.

Without obligation or expense, you may have your local Aetna-izer make a complete survey of your present insurance and bonding protection and a careful investigation of your general insurance

requirements. He will prepare and submit a permanent record—an **INSURANCE CHART**—indicating the results of his investigation.

The purpose of the survey is to assist business men, heads of families and property-owners to maintain an adequate and well-rounded program of insurance protection at a minimum cost.

Ask any Aetna-izer for this Free Service

THE AETNA PLAN OF INSURANCE AND BONDING PROTECTION

AETNA LIFE INSURANCE COMPANY

and affiliated companies

AETNA CASUALTY & SURETY COMPANY

AUTOMOBILE INSURANCE COMPANY

of Hartford, Conn.

cases does the stock market lose its head or its sense of proportion. It discriminates with remarkable sagacity between temporary damage and the establishment of new and unfavorable conditions. . . . But Wall Street is nothing if not far-sighted, and underneath the widespread waste of water it can see that the land is still there, and that what has been removed in fixed forms of wealth must necessarily have been mostly of superficial value, replaceable at no great cost."

Such a statement to the individual whose farm is under water may seem a bit cold and calculating, but the important thing all papers stress is, "that it must not happen again." In quoting the Secretary of Commerce and the Chief of Army Engineers, the *Index* states "that the 'one practical, feasible and economic solution' to the problem of these recurrent floods is the construction of adequate levees."

It is reassuring to find the *Professional Engineer* stating that "the engineering problems involved, while extensive, are comparatively simple. A comprehensive progressive improvement would, in the course of the next ten or fifteen years, effectively check the yearly rampages of this mighty river."

Electrical World throws some light on the problem:

"The erection of dams on these streams—the Mississippi's tributaries—will suffice to hold the tributary waters in check and will also enable electricity to be generated in stations at or near the dams. Inasmuch as the water may also be used for irrigation, the outlay for hydro-electric development will be only a fraction of the total expenditure. Thus the electrical industry, which has already reduced the terrors of flood somewhat in the stricken areas by keeping its circuits in condition to supply light, may also contribute to the harnessing and complete utilization of water for the service and not the destruction of mankind."

Loss of Valuable Top Soil

BASING its observations on the ideas of Prof. J. Russell Smith of Columbia, author of "North America," E. A. Sherman of the U. S. Forest Service, and H. H. Bennett of the U. S. Bureau of Soils, the *New Republic* writes:

"... our careless refusal to take any thought of the future has not only greatly augmented the seriousness of the present flood, and made it certain that similar disasters may be expected at frequent intervals in the future, but is resulting in wearing away the precious and practically irreplaceable top soil from much of our best lands. As Dr. Bennett observes:

"Terraces and grass woodlots, forests, and other soil-binding and soil-building crops will vastly improve the flood situation; not only will they slow up the run-off of water, but they will save the most valuable part of the soil and will reduce the clogging of streams which cuts down their carrying capacity, and adds to the flood danger.

"How does it happen that so little has been heard of anything except levees and more levees, in the past? One reason is, of course, that the worst sufferers from the floods have not been those in areas where deforestation has taken place, but those along the lower reaches of the river. A levee is a simple and visible object, behind which people may rest secure in a confidence which is justified—most of the time. No one's vested interest is upset by the building of a dike; while on the other hand every alternative method of flood control means the impairment of somebody's economic interest.

"Timber men get enormously enhanced profits by destroying forests instead of trimming them out; in fact, they are probably

correct when they plead that no one who pursues a careful system of arboriculture can compete in the open market with those who are taking off all the timber in one operation.

"The farmer insists on his right to plant the most profitable crops, even though he may be subjecting his lands to an erosion which will make them useless in another hundred years. That is something for posterity to worry about; and 'what has posterity ever done for us?'"

Southern Lumberman comes out with a strong editorial entitled "Not Responsible for Flood." To quote it in part:

"Lumbermen have grown accustomed to being accused of various forms of undesirable conduct and being held responsible for things with which they are not connected, and it is, therefore, not surprising to them that the average daily newspaper has fallen into the easy error of attributing the present floods in the Mississippi Valley to the 'destruction' of the forests.

"The United States Weather Bureau has been making a study of floods and their control for something like one hundred years and the Engineer Corps of the Army which has charge of river and harbor surveys has also watched this matter very closely. Both join in scouting the theory that deforestation has caused the flood and General Jadwin states positively that the present flood would have occurred in all its severity even if the various headwaters of the Mississippi had been clad in their original forests. The greatest flood in the upper Mississippi was in 1785. The Arkansas River had its greatest flood in 1833 and up until the present year the highest water of the lower Mississippi occurred in 1844—all of these occasions being before the 'wanton destruction' of the lumbermen had begun.

"As a matter of fact, however, the average logging operation does not completely denude the land but leaves the young trees and undergrowth and leaf mould which cause the land to retain its spongelike character."

The Automotive Industry Grows Most in 25 Years

THE CENSUS DEPARTMENT has just made a novel calculation which *Advertising and Selling* comments on. "It has figured out which industrial groups have made the greatest gain in a 25-year period (1899-1925)."

"The automobile, of course, makes everything else look like a snail. It made a 4,666 per cent increase. But next to that is chemicals, 365 per cent increase; next to that metals and metal products (not iron or steel), 321 per cent; and next to that paper, printing and related industries, 317 per cent. Lumber is at the bottom, having gained only 6.8 per cent; shipbuilding next, 22.2 per cent; and leather next, 33.8 per cent.

"It is, after all, rather amazing that there should be such huge differences in the 'pace' of the great industrial groups. Seemingly there has been a fairly horizontal growth industrially; but actually not so. Textiles gained only 96.5 per cent, food 119.6 per cent, tobacco 168.7 per cent. The average gain for all industries has been 178.4 per cent.

"Another important new bit of information is that there has been a particularly marked increase in production per worker in the last several years; ten per cent between 1923 and 1925, 40 per cent between 1919 and 1925. During the decade between 1909 and 1919 the output per worker actually decreased. When worker's output increases it means higher 'real' wages; more spending power."



An Institution of Financial Counsel with the Courage of its Convictions

Today you can have positive guidance on your investments—courageous advice, based on successful experience with hundreds of subscribing members—specific advice that does more than merely outline the status of the market but tells you if need be by wire or phone just *when* and *what* se-

curities listed on the New York Stock Exchange to buy or sell profitably.

Fundamentally safety of principal, maximum income and profits depend upon the intelligence of the advice given and upon the speed and directness with which it is transmitted to investors.

Richard D. Wyckoff Analytical Staff, Inc.

An Investment Advisory Service for
Individual Requirements

If you are an investor, or active in the market, or may desire to enter it with the strong counsel of such a constantly vigilant service, here is your opportunity.

A new booklet just off the press, written by Richard D. Wyckoff, ex-

plaining the fundamentals every investor should know, is now available. If you are interested, fill out and mail this convenient coupon. We shall gladly forward it. If you prefer, call for your booklet at our nearest office.

NEW YORK, 42 Broadway • BOSTON, 53 State Street • PHILADELPHIA, 417 Bulletin Bldg.
SAN FRANCISCO, 70 Post Street • LOS ANGELES, 215 West 7th Street
CHICAGO, Continental & Commercial Bank Bldg.
SEATTLE, Dexter-Horton Bldg.

RICHARD D. WYCKOFF ANALYTICAL STAFF, INC.
42 Broadway, New York City

GENTLEMEN:

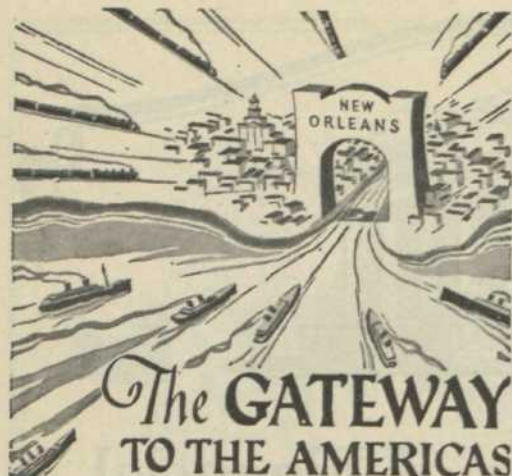
Without obligation on my part I should like to have Mr. Wyckoff's booklet treating of the essentials for success and the true sources of accurate knowledge on investing and trading.

Name.....

Private Address.....

N. B. A.

News of Organized Business



The GATEWAY TO THE AMERICAS

A GLANCE at the map shows the importance of New Orleans to Latin American trade. Do not confuse the importance of New Orleans in this respect with other Southern towns and cities. New Orleans has the ship lines, it has the regular sailings. It has a great docking system and transportation advantages. It has the financial institutions to take care of international trade. In spite of the slow development in the past, the future is bound to show a great business development in the countries to the South. Latin America will buy our goods if we manufacture them at the right price and give them service. There are 50,000,000 people within a short sail from the port of New Orleans. Factories that are located at this great city and port will have the advantage of securing the trade of these countries. By making merchandise specially for these people, making it economically, with low freight rates and quick deliveries, great businesses can be built up now with both Central and South America. New Orleans is ideally located for the bidders after this business

Write for full information
Address, Room 202

**NEW ORLEANS
ASSOCIATION
of COMMERCE**

Where production costs are lower

AS A RESULT of successful experience of several lines of manufacturing industry the Bureau of Internal Revenue has approved a system of procedure for development of standard or typical rates of depreciation of the physical assets of such industries as may desire to establish them.

The cooperative studies which are contemplated are to be on a purely voluntary basis and the fact is recognized that there are some industries which, because of their particular conditions, may not desire to set up typical depreciation rates.

A pamphlet prepared by the Bureau of Internal Revenue stated that "the Commissioner of Internal Revenue has authorized the initiation of a study of depreciation and maintenance charges with a view to the adoption of a definite procedure in the future audit of tax returns, but with no intention of reopening depreciation questions settled in any audits already completed. This study will be undertaken solely upon a basis of the voluntary cooperation of taxpayers with the Bureau of Internal Revenue in reaching mutually beneficial conclusions."

Pursuant to its announcement, the Bureau of Internal Revenue proceeded to deal with individual concerns, by questionnaire principally. It sought the information which it deemed necessary for determination of basic rates. The Bureau subsequently determined that, instead of or in addition to dealing with individual taxpayers, it might find it advantageous to invite trade associations, or groups of manufacturers in given industries to cooperate through the creation of study committees. A general plan of procedure was devised whereby a trade association of manufacturers might undertake a depreciation study through a committee drawn from the industry.

This plan contemplates that "when the committee has finished its studies it should embody its conclusions in the form of recommendations to the Commissioner of Internal Revenue. The Commissioner will then ascertain by correspondence or otherwise whether the report of the committee is generally approved by the industry as a whole and if any extensive criticism develops will inform the committee of such criticism and suggest further investigation of controversial phases of the subject. . . . When the Bureau of Internal Revenue and an industry have agreed as to depreciation rates and methods the results of such agreements will be published with authorization by the Commissioner for their use in the preparation of subsequent income tax returns." On this point the Commissioner in an earlier state-

ment said that, in addition to average rates, there will be determined customary maximum and minimum rates within which an individual taxpayer will be permitted to select a rate for constant application upon a reasonable showing that depreciation in his particular physical assets proceeds more or less rapidly than is usual in his industry.

The plan to which reference is made has been put into printed form in order than any manufacturing industry, if it so chooses, may consider whether it desires to undertake a depreciation study along the lines indicated. A copy or copies of this printed statement will be sent to any manufacturing member of the National Chamber desiring it.

Trade Lexicography

"STEEL Never Fails" is the title of a booklet published by the American Institute of Steel Construction. It is an interestingly illustrated booklet on the fourteen reasons why "there is no substitute for steel." Anyone interested in it can obtain a copy by writing to the Institute at 247 Madison Avenue, New York City. It is significant of the better kind of advertising that is being done by associations in this era of inter-industrial competition. Another of the Institute's activities is the scientific investigation of those uses to which steel is not suited.

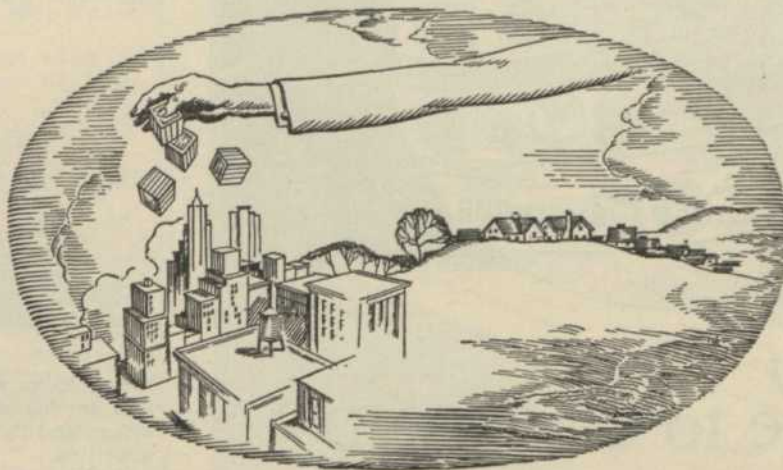
Another instance of the new competition came recently to our attention. The *Fur Trade Review* writes:

The dry cleaners of the country are making a drive for business in cleaning and storage of furs. . . . In some of our cities the local furriers are combining in their efforts to educate the public about furs and fur cleaning. Cooperative advertising and individual circularizing is reported to have brought good results. The dry cleaners have a strong and progressive national association. They advertise and hustle for business. The furriers must do the same or lose out.

* * *

Importers of essential oils have organized a trade association. According to the *Oil, Paint and Drug Reporter*:

Essential oils are puzzling products. Their identification by scientific means, chemically and physically, has been brought to a high stage of development through the researches of very able men. But the complex composition of these oils and the variety of their uses make the accepted scientific tests inadequate to the ends of commerce in these commodities. It is still possible to adulterate many essential oils in a manner that escapes detection. It is



The long arm of distribution

IT REACHES into a factory miles away and picks up some much-needed items for some pressing local use.

Distribution, as Graybar Electric practices it, means getting electrical supplies to the place where they are needed—when they are needed. Without such a service the manufacturer must seek out the user and the user must seek the manufacturer. Graybar is thus the logical market place for buyer and seller alike.

The arm of Graybar distribu-

tion is long. It is far-reaching, going to hundreds of sources for the supplies of everything electrical which it distributes through 61 houses located at the cross-roads of industry, nationwide

Look to the nearby Graybar warehouse, only a few minutes or a few hours away. Look to Graybar as an organization serving your own interests—not only selling to you but also buying for you electrical supplies of high quality, and holding them available for your needs.



*The Graybar Tag—
symbol of distribution*

Graybar Electric Co., Executive Offices: Graybar Building, Lexington Avenue and 43rd Street, New York City

When writing to GRAYBAR ELECTRIC COMPANY please mention Nation's Business



Why did they come to OAKLAND?

Trademarks — internationally recognized — representing concerns that have branch factories in Oakland.

HERE ARE SOME REASONS:

- ~ Oakland is the central mainland city of the Pacific Coast
- ~ Closer to most of the big markets of the Orient than any other Pacific Coast city
- ~ Satisfied labor ~ home-owning
- ~ Plenty of low-priced power available
- ~ Unexcelled transportation facilities by rail or water ~ coastwise to points North and South and through the Canal to the Atlantic Seaboard
- ~ Foreign and domestic raw materials at Oakland's door
- ~ All-the-year-'round working climate

WHEN ARE YOU COMING TO OAKLAND?

... Ask us for special survey of your particular industry ...

Industrial Department, Oakland Chamber of Commerce

This advertisement of Oakland and Alameda County is produced co-operatively by the Oakland Chamber of Commerce and the Alameda County Board of Supervisors.

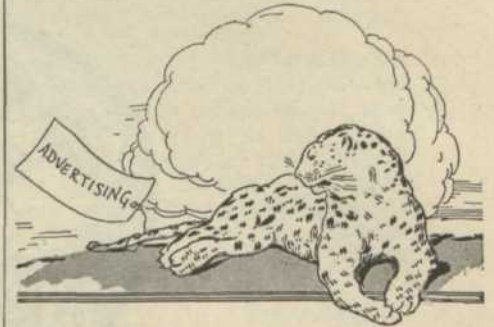


Write
for it!



still necessary to rely on the sense of smell or the sense of taste to select the oil best suited to a particular purpose.

At the present time the membership of the new association comprises most of the importing trade, and it is expected that soon the whole trade will be members. Among



the problems with which the association will deal are containers, transportation, crop conditions and the usual run of trade association activities.

The American Association of Ice and Refrigeration is a federation of other associations in the ice and refrigeration field and its purpose is to correlate the activities of these associations, organizations, and individuals. The Association is credited with having brought about a better feeling between the manufacturers of household electrical refrigeration and the manufacturers of ice, particularly in connection with the methods of advertising. A conference in the summer of 1926 discontinued the destructive use of advertising. The Association is also a member of the International Institut Du Froid—an organization composed of the representatives of 46 countries—which operates through sixteen international commissions and covers such subjects as biology, hygiene and medicine; physics, chemistry, and thermometry of low temperatures; agricultural industries, etc. The Association has published reports of studies in different fields such as railroad and steamship refrigeration, industrial refrigeration, and others.

Trade association activities are constantly broadening and becoming more useful. With the increased worth of their activities they are constantly becoming more influential. A few of the activities that some of them are pursuing are here listed.

The Heating and Piping Contractors National Association is developing certified heating.

The National Leather and Shoe Finders Association is developing better repair work.

The National Hardwood Lumber Association is establishing and enforcing standards.

The Paperboard Industries Association conducts extensive laboratory work.

The International Association of Milk Dealers is meeting heavy bottle loss through simplification of equipment.

The Portland Cement Association is using schools in educational work among craftsmen.

The National Association of Retail Grocers is helping independent dealers to meet chain-store competition.

The National Confectioners' Association employs consulting chemists to analyze the products of its members and others for adulteration.

Henry B. Gomers has been for thirty years the secretary of the New York Association and of the National Association of Heating and Piping Contractors. In 1885 a New York City local association was formed; shortly afterwards, a Chicago Association was formed.

OAKLAND { and Alameda County } CALIFORNIA

"Industrial Capital of the West"

When writing to INDUSTRIAL DEPARTMENT, OAKLAND CHAMBER OF COMMERCE, please mention Nation's Business

It was soon proposed that the two merge and form the National Association, which they did. The office of "secretary" is a difficult one. The secretary must adapt himself to each change in policy; it is expected that he will achieve the impossible of pleasing all concerned, regardless of their divergent views. Few men continue in such an office for thirty years.

Are there other associations which have secretaries who have served so long a period?

"Get a Real Go-Getter"

IN NACOS NEWS appears this editorial, worth thinking over:

A multitude of publications on his desk, seeking new industries for almost every town in the country, inspired a NACOS member to pen this:

"Tell every city in the country, thousands of them, to put all the emphasis they can on industrial development. They should do nothing else but devote all their time to industrial development. Get their industrial committees on the job. Form new divisions, new bureaus on getting new industries. Get a real go-getter (whatever that is) to go out and soak up the capitalists of the country and bring all their industries to their towns.

"A couple thousand cities boast of all the factors necessary to attract new industries and to insure their success after they are located.

"No stone should be left unturned. The wilder the scramble, the better. Tell the business men that they should surely not miss one bet. Spend their money. Go to it. Let's have a wild time. No reason in the world why industries should not jump from one town to another over night.

"Let's trade, barter, sell, steal—any old thing—but let's have industries. It must be done. The business men of the community know it's the only thing to do.

"Of course, at the same time we will expand all of our own local industries, but



who is going to consume all we produce? The city that invents incubators for producing human beings by the millions is going to win!"

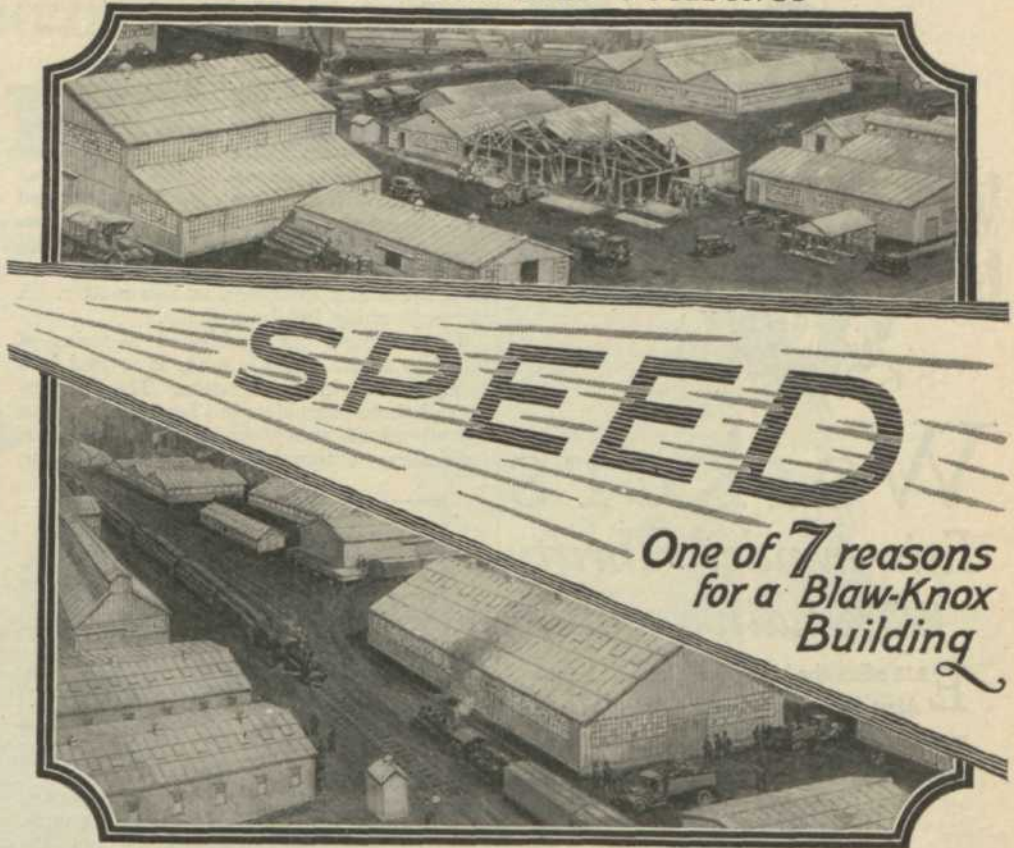
The author of this has served NACOS officially and in many important committee positions. He began secretarial work at the bottom of the ladder and today, although still young in years, fills an important secretaryship in a large industrial center. Turning to a more serious frame of mind he goes on:

"I wonder have we really any ethics or standards in this matter? What are the national economics of the situation? For instance, suppose Detroit worked and moved the tool industry from Cincinnati to Detroit, and Cincinnati took a good volume of the automobile industry from Detroit to Cincinnati, what would we as a nation have gained? How far is any city going to go in this advertising and seeking of new industries?

"What is a sane program?"

The advantages of industrial promotion

BLAW-KNOX STANDARD BUILDINGS



The plant of the David R. Kennedy Company, Inc., New York City, manufacturers of floor tiles, etc., burned down, with contracts in work on which delivery was imperative. In this emergency Blaw-Knox Standard Steel Buildings were rushed to the site—and in a remarkably short time production was resumed and contracts were being filled.

The first Blaw-Knox Building was delivered before foundations were ready (one week was the exact time), and the remaining buildings were on hand as soon as foundations were completed.

The Kennedy Company did not have to use valuable time in design, fabrication and erection—work usually requiring many contracts and sub-contracts and much skilled supervision. Blaw-Knox *predesigned* Steel Buildings were shipped in standard units and quickly erected with the guidance of standard erection plans which are part of the building service.

The Kennedy Company is now housed in weathertight, galvanized steel daylight factories that are absolutely firesafe and rust-resisting. Most important of all—they were enabled to fulfill their contracts.

7

Standard Building units conform to any shape, size, or style.
Save time and expense in erection.
Lowest cost per year—10 year roof insurance.
Copper-bearing, galvanized Steel construction.
Firesafe.
Rust-resisting.

BLAW-KNOX COMPANY

632 Farmers Bank Building - Pittsburg, Pa.

Branches in All Principal Cities

BLAW-KNOX BUILDINGS

LOWEST COST PER YEAR

When writing to BLAW-KNOX COMPANY please mention Nation's Business



Workers Fair-minded-Thrifty 80% native white

ERIE offers the kind of workers you want. Alert, intelligent, steady-going men and women who live well and save money, 70% have savings accounts, 45% own homes.

Plenty

Labor turnover is no problem here. Local and nearby sources supply ample help—skilled and unskilled, shop and office. Disturbing elements are absent—employer-worker relations friendly, based on mutual respect of rights and interests.

Free Book of Basic Facts

This enviable labor situation is but one phase of Erie's 5-fold industrial opportunity. "5 Great Advantages" gives you the full facts. Send coupon for this 32-page book detailing rare competitive advantages Erie offers you. Or ask for confidential Industrial Board survey applying these to your specific problems.

ERIE

PENNSYLVANIA

City of 5 great
advantages



ERIE CHAMBER OF COMMERCE
Erie, Penna.

Please send a copy of your booklet
"5 Great Advantages."

Name _____

Firm _____

Address _____

N. B.—7-3-27

are manifold. But we wonder, too, are the advantages too well known and the economics of the situation too little known? We wonder.

The Gasoline Tax

A DISTINCT service is being rendered by the Vermont State Chamber of Commerce in keeping abreast of the gasoline tax situation. Several years ago it was decided that one of the ways to render a public service of distinct merit was to study the gasoline tax situation and to find out the trends in thought and execution in this matter. A thorough study has been made.

The chamber has published a series of bulletins on it. Each bulletin is revised as a change occurs in the situation. The distribution of these pamphlets has been tremendous. Governors of states, highway commissions, legislators, automobile clubs, individuals,



chambers of commerce and others interested in the subject have gone to the Vermont Chamber for information. It is not the chamber's idea to advocate any form or to attack any policy, but it is to present the facts, what other states have done or contemplate doing and the reasons for it.

One of the publications is a map of the United States with red figures in those states that have a tax noting the amount of the tax. This, as is the case with their other publications, is kept strictly up to date.

Other of the publications deal with road data. The problem of hard surfacing, its cost and up-keep, suggested plan of improvement, and a survey of what other states are doing on the highway construction problem are among the subjects dealt with.

James P. Taylor, secretary of the State Chamber, with head offices at Burlington, in describing the work, said:

Perhaps there are other states that are conducting investigations for themselves but which have a national interest. Isn't there some way that this information can be made available to other interested bodies so that duplication of effort may be avoided? As we have made the information we have collected available to those interested, so others may have information for us.

Education and Industry

A PLAN for the practical cooperation of education and industry has been worked out by the American Council on Education and the Civic Development Department of the National Chamber. The plan contemplates more accurate job specification. The Council, in announcing the plan, stated:

The only legitimate reason for hiring a man is that he possesses the standard qualifications for his job and will prove a good investment for his employer. To facilitate accurate placement which assures mutual satisfaction to employer and employe, it is necessary better to understand what qualifications each occupation requires, and also how to measure the kind and degree of those qualifications the applicant possesses.

The plan proposes, in order to bring about

a practical cooperation between schools and occupations: (1) That as an aid to education those engaged in the world's work make accurate records of the things done in all types of occupations; (2) that as an aid to the world's work, schoolmen make accurate records of their experiments in discovering human aptitudes, in appraising capacities, in methods of training, in developing standards and tests of proficiency and in constructing rating scales.

Western Secretarial School

PLANs for the coming session, week of July 18, of the Western School for Commercial Secretaries to be held at Leland Stanford University at Palo Alto, Calif., are practically completed. Classes are being lengthened to an hour and a half so that the last half-hour may be devoted to discussion of the hour's lecture. The scope of the work has been broadened and instructors in eight of the courses appointed. The courses and instructors are:

1. "Membership and Finance," Charles P. Bayer, manager, Organization Service Department, Chamber of Commerce, Los Angeles, Calif.

2. "Committees and Committee Management," Col. C. A. Simmons, manager, Convention and Tourist League, San Francisco, Calif.

3. "Transportation and Traffic," A. B. Barber, manager, Transportation and Communication Department, Chamber of Commerce of the United States.

4. "Problems of the Small Town Chamber of Commerce," Joseph F. Leopold, manager, Agricultural Department, Chamber of Commerce of the United States.

5. "Agriculture and Its Relation to the Chamber of Commerce," R. N. Wilson, Agricultural Department of the California Development Association.

6. "Chamber of Commerce Organization and Scope," A. E. Isham, manager, Chamber of Commerce, Redlands, Calif.

7. "City and Regional Planning," Harland Bartholomew, St. Louis, Mo.

8. "Organization and Community Publicity," Harold Cray, Chamber of Commerce, Seattle, Wash.

Registration is being taken care of by Ray W. Smith, of Palo Alto.

NACOS School Prospects Bright

A PRELIMINARY canvas of the prospects for the seventh annual session of the National School for Commercial and Trade Organization Executives, to be held at Northwestern University from August 22 to Sep-



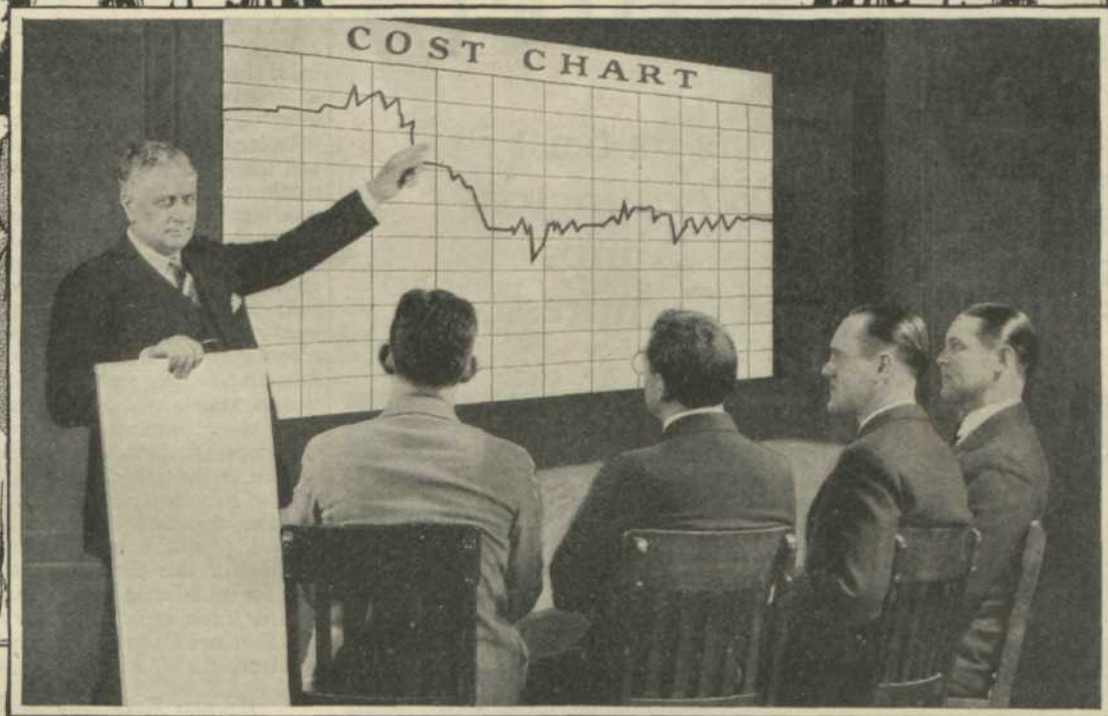
tember 3, shows an increased enrollment. With a staff of experienced and authoritative instructors, the session promises to be even more useful than in previous years.

The school provides two weeks of intensive training for the experienced commercial organization or trade association executive, his assistants and young men and women who are preparing to enter the secretarial field.

Tuition is \$30 for two weeks or \$20 for one

Lower Manufacturing costs with

PANELIZED TIMBER



THE Cornell Wood Products Company—a pioneer in the wood board industry—has developed, and now announces to American manufacturers, a new and superior product. It is Cornell Industrial Panelized Timber.

Panelized Timber is hardy northern timber converted into big, clean, rigid panels up to 4 feet wide and up to 16 feet long—without the disadvantages of joints as in solid or veneered lumber or without knots, rot, checks, shakes, stains, pitch pockets or other defects so common to industrial lumbers.

Every inch of Cornell's Panelized Timber may be used. It is uniform in all its physical properties. It saws and works easier. It will not split in nailing, sawing, cutting or handling. It is easily cut into irregular shapes and easily fitted around mouldings, bolts, etc.

We are prepared to furnish Panelized Timber in a range of sizes, thicknesses, weights, strengths, densities, hardness, toughness,

finishes and colors—or combinations of these properties—to meet practically any industrial requirement. And the cost is only a fraction of the cost of industrial lumbers.

Samples and Experimental Work Free

The remarkable adaptability of Cornell's Panelized Timber makes it impossible to list the many uses to which this remarkable product may be put—or to suggest the scope of the savings it is capable of effecting. It may be exactly suited to your manufacturing or shipping requirements. You can easily find out. Write for samples and details on how our experimental and research departments are prepared to co-operate with large users of panel lumber, insulating, sound deadening or vibration absorbing materials. Your inquiry is invited and will, of course, incur no obligation whatsoever.

A Few of the Many Uses for PANELIZED TIMBER

Furniture Panels and Drawers
Screen Panels
Cloth or Leather Covered Panels
Sheet Metal Bound Panels
Containers
Deadening and Insulating Panels
Vibration Absorber (as under Fans or Motors)
Protection in Shipping
Toy Manufacturing • Bicking Panels
Bolt Cores • Table Tops
Posters • Displays • Backgrounds
Theatrical Settings • Photo Mounts
Under Floors or Floor Coverings
Etc.—Etc.—Etc.



CORNELL WOOD PRODUCTS CO.
190 North State Street
Chicago Illinois

Cornell

INDUSTRIAL
Panelized Timber

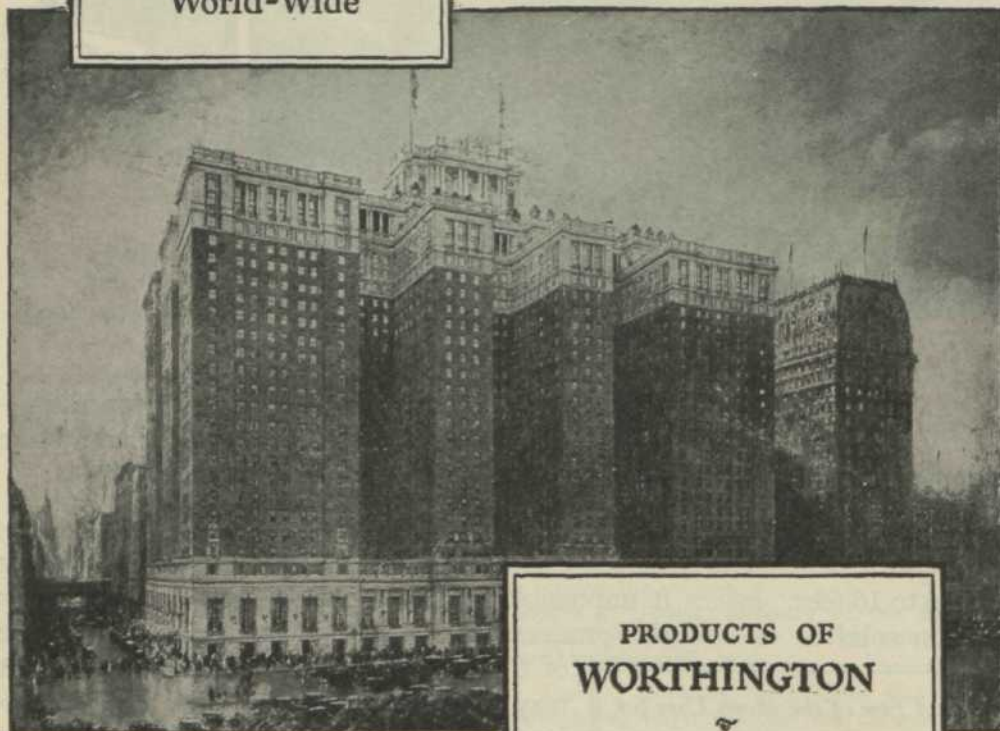
When writing to CORNELL WOOD PRODUCTS CO. please mention Nation's Business

World's Largest Hotel

Words that mean
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✓ **Pioneering**
✓ **Trustworthiness**
Experience
Competency
Efficiency
Conservation
World-Wide

Puts its trust in
Worthington
Pumps
and Compressors



The new Stevens Hotel, Chicago, the world's largest, with 3000 outside rooms and 3000 baths. To be equipped throughout with Worthington Pumps and Compressors, 23 in number, serving every need, from fire protection to refrigeration. The pumping equipment of a great hotel must be absolutely trustworthy, for it must operate 24 hours a day, 365 days in the year.

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WORTHINGTON

PUMPS
COMPRESSORS
CONDENSERS and AUXILIARIES
OIL and GAS ENGINES
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Literature on Request

WORTHINGTON



WORTHINGTON PUMP AND MACHINERY CORPORATION
115 BROADWAY, NEW YORK CITY
BRANCH OFFICES IN 24 CITIES

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week. This fee covers only costs, and the best accommodations and food are provided by Northwestern University at moderate prices.

The secretary of the school is John N. Van der Vries, 134 North LaSalle Street, Chicago, Illinois. The chairman of the Attendance Committee is Hugh Lynch, 233 Broadway, New York City.

Service to Established Industries

A YEAR ago the Salem, Mass., Chamber of Commerce decided that it would hold, through its industrial division, a series of strictly industrial meetings for the purpose of getting its manufacturers together and developing a service for them. The secretary and officers of the chamber were told that it would be next to impossible to carry off such meetings successfully. Nevertheless the chamber went ahead. In the last year it held eight industrial meetings. The first had an attendance of twenty-seven, the second forty-five, and the meetings following between eighty and one hundred fifty-two. The final meeting was attended by two hundred and fifty-nine. The secretary writes: "I bring this to your attention because there may be some other secretaries who hesitate in starting cooperative meetings among the members of the industrial divisions. The plan has worked so well in Salem that we are now organizing a committee to go into a very extensive plan for cooperating with the industries of this city." In developing a service for established industries, secretaries may call for information and other assistance upon the National Chamber's Department of Manufacture, E. W. McCullough, Manager.

Human Relations in Industry

REPRESENTATIVES of capital, labor and the public will meet at the Tenth Annual Conference on Human Relations in Industry which will be held at Silver Bay, Lake George, N. Y., September 1-4. Prior to the Industrial Conference, there will be a week's course in training in the conference method of handling foremen's groups.

Last year 532 delegates from 90 cities and 3 foreign countries attended the conference. Among the business men in charge of the conference is A. L. Humphrey of the Westinghouse Air Brake Co., a director of the National Chamber.

Anyone interested may communicate with Fred H. Ringe, Jr., of the Industrial Department of the National Council of Y. M. C. A.'s at 347 Madison Avenue, New York.

Coming Business Conventions

(From Information Available June 1)

Date	City	Organization
July, 1927		
1.....	New York.....	Manufacturers Aircraft Association.
4-6.....	Atlanta.....	Southern Newspaper Publishers Association.
7-8.....	Cleveland.....	The National Association of Window Shade Manufacturers.
Week of 10th.....		National Furniture Warehousemen's Association.
11.....	New York.....	National Wallpaper Wholesalers Association.
11-15.....	Detroit.....	American Institute of Banking.
12.....	New York.....	Aeronautical C. of C. of America, Inc.
12-15.....	Cleveland.....	National Retail Tea and Coffee Merchants Association.
12-15.....	Cleveland.....	National Tea and Coffee Merchants Association.
14-16.....	Washington, D. C.....	American Photo-Engravers Association.
17-19.....	Chicago.....	Theater Equipment Association.
18.....	Atlantic City.....	American Association of Flint and Lime Glass Manufacturers.
18-21.....	Detroit.....	Engraving Association.
19-22.....	Asheville, N. C.....	U. S. League of Local Building and Loan Associations.
23-24.....	Atlantic City.....	National Knitted Outerwear Association.
25-27.....	St. Louis.....	National Hay Association.
25-28.....	New York.....	Photographers Association of America.
27-Aug. 4.....	Ottawa, Canada.....	American Baby Chick Producers Association.

On the Business Bookshelf

Main Street and Wall Street, by William Z. Ripley. Little, Brown and Company, Boston, 1927. \$2.50.

Professor Ripley's articles which, last year, in the *Atlantic Monthly*, stirred up so much comment and controversy are now printed in book form for those who like this phase of economics.

In discussing corporate finance he very bitterly criticizes some of those balance sheet reports that are "all obfuscated and darkened over with fuliginous matter." He favors both clear balance sheets and income accounts since either without the other is like measuring a table by only one dimension.

Publicity of earnings has one fault, the information given competitors, but this would be remedied if the practice were universal. The New York Stock Exchange requires periodical statements, but companies not listed there may and often do pass with meager statements that are as bad as none. One consolation is that this situation has been worse.

Figures do not lie, but figurers decidedly do, seems to be Professor Ripley's theme in one of the vitriolic moments of his discussion of statements. For example, he cites one company that showed a "net income of \$459,199.46," however, a skilled accountant could find in a change of book value of the common stock that the "profit" had been a loss of \$421,575.58.

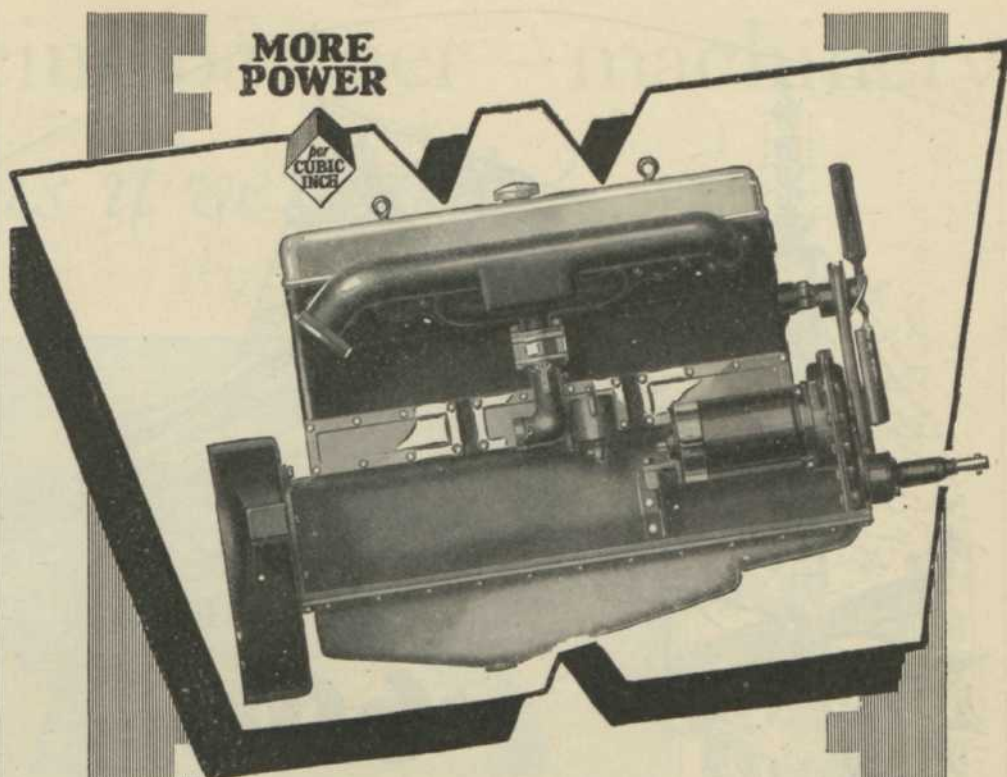
No-par-value stock is particularly easy to juggle in this fashion. He cites the Dodge Company as an example, although it itemized its account to show fact. The company's surplus on April 1, 1925, was \$4,608,000 and on December 31 of the same year it totaled \$31,477,234. If the latter statement had not been qualified—as might just as easily have been done—then the management could have shown a created surplus in eight months of \$26,869,234. The real reason was that fifteen millions of debentures had been converted to no-par stock that went on the books at 10 cents per share. Quite an easy trick of figures if the management had wished to be dishonest!

In the field of transportation Professor Ripley discusses railroad consolidation. In particular he speaks of the dense traffic on the lines between New York and Chicago (the shortest of which is nearly 200 miles longer than the air line) and shows the benefit to be derived from various consolidations proposed in that field.

Professor Ripley, as special examiner for the Interstate Commerce Commission, helped draw up a tentative plan for the consolidation of railroads in the United States into a limited number of systems as the Commission was directed by the Transportation Act of 1920.

How to Make Money in Real Estate, by Stanley L. McMichael. Stanley McMichael Publishing Organization, Cleveland, Ohio. \$5.00.

"Many successful investors have made fortunes in real estate only after having suffered unpleasant experiences in encountering pitfalls which a little practical advice might have warned them to avoid." This book gives that advice as to the pitfalls and presents glowing arguments to show that real estate investment under proper conditions is a "sure thing." It is an easily read book,



Overhead Valves

For many years Wisconsin engineers have specialized on overhead-valve motor design. They knew it was superior in theory—and they have proved it superior in practice.

To the overhead-valve principle is largely due the surpassing performance of Wisconsin Motors—their famous "More Power per Cubic Inch"—their notable economy of fuel and oil—their long life and low service costs.

Wisconsin Motors—Four or Six, 20-horse to 120—will do a better job for you than any comparable motors—whether you power with them a truck, bus, tractor or construction machine. And we stand ready to prove it.

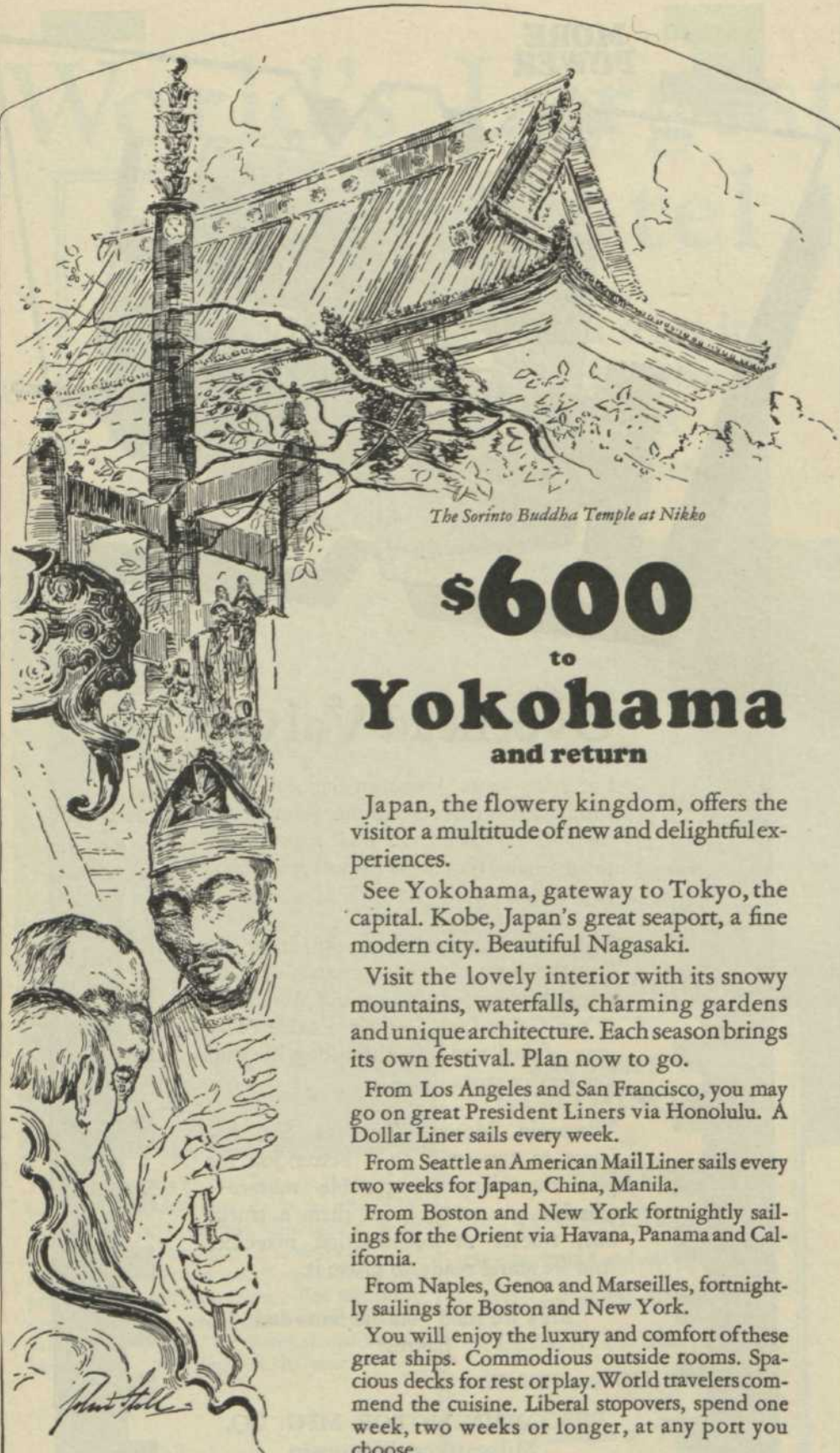
May we send you the facts and figures?

WISCONSIN MOTOR MFG. CO.
Milwaukee, Wisconsin

Wisconsin Motors are built in a full range of Sixes and Fours, from 20 to 120 H.P., for trucks, busses, tractors and construction machinery, including models housed as industrial units.



When writing to Wisconsin Motor Mfg. Co. please mention Nation's Business



The Sorinto Buddha Temple at Nikko

\$600 to Yokohama and return

Japan, the flowery kingdom, offers the visitor a multitude of new and delightful experiences.

See Yokohama, gateway to Tokyo, the capital. Kobe, Japan's great seaport, a fine modern city. Beautiful Nagasaki.

Visit the lovely interior with its snowy mountains, waterfalls, charming gardens and unique architecture. Each season brings its own festival. Plan now to go.

From Los Angeles and San Francisco, you may go on great President Liners via Honolulu. A Dollar Liner sails every week.

From Seattle an American Mail Liner sails every two weeks for Japan, China, Manila.

From Boston and New York fortnightly sailings for the Orient via Havana, Panama and California.

From Naples, Genoa and Marseilles, fortnightly sailings for Boston and New York.

You will enjoy the luxury and comfort of these great ships. Commodious outside rooms. Spacious decks for rest or play. World travelers commend the cuisine. Liberal stopovers, spend one week, two weeks or longer, at any port you choose.

For complete information communicate with any ticket or tourist agent or

Dollar Steamship Line American Mail Line

32 Broadway New York
604 Fifth Ave. and 25 Broadway New York
1018 Bessemer Building Pittsburgh, Pa.
177 State Street Boston, Mass.
1519 Railroad Ave. South Seattle, Wash.

101 Bourse Building Philadelphia, Pa.
110 South Dearborn Street Chicago, Ill.
514 West Sixth Street Los Angeles, Calif.
Dime Bank Building Detroit
Robert Dollar Building San Francisco, Calif.

written in a clear, non-technical style and with much information from which the "prospect" cannot help but benefit.

The first four chapters are devoted to an exposition of the preeminent merit of real estate over all other investments. Another section of the book is devoted to a discussion of the various types of property, how they are handled, how they should be bought and sold, and how they should be judged. A third part of the book explains the various legal formalities and methods of buying and selling.

The book is written from the viewpoint of an investor, operator and broker by a man who has had experience in all three branches of the business. If read carefully, it will undoubtedly give the layman much valuable information.

Foremanship Training, by Hugo Diemer.
McGraw-Hill Book Company, New York,
1927. \$2.50.

Foremanship training is vitally necessary when the management is dealing with production or personnel problems. Yet it is easy to forget the foreman and let vital decisions affecting his work and that of his subordinates be made over his head without his knowledge.

The author discusses the need of keeping the top of the organization personally in touch with the foremanship training instead of delegating this task wholly to specialized subaltern officers. Another topic is the combination of technician and manager to be developed in the best foremen.

Production conferences are one of the first topics to meet the detailed attention of Mr. Diemer after disposing of the foreman's job and personal qualifications. These conferences not only serve to make schedules for work but show up delays or other faults and usually place the blame where it belongs. "Participation in these conferences gradually familiarizes the foremen, and all other executives, with the general organization and policies, as well as operating methods, of the company."

Foremen's clubs are a helpful method in fostering contacts and mutual confidence. They pave the way for foremanship training by the conference and discussion plan. Conferences, within or without a club, are of much benefit to the foremen.

Mr. Diemer suggests programs for the first and second years of the foremanship training, and treats of employee representation and safety movements in their relation to foremanship training.

A word of warning: present cost information in simpler language than that of statisticians and professional accountants.

Does Prohibition Work? by Martha Bensley Bruere. Harper & Brothers, Publishers, New York, 1927. \$1.50.

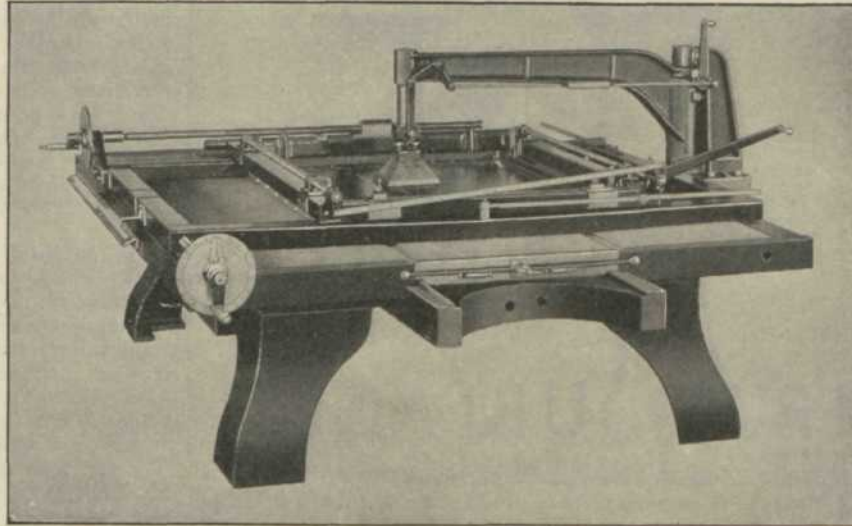
Some one just arrived in Buffalo "asked a policeman where he could get a drink, and the officer said the only place in town he couldn't get it was a millinery store."

In Cleveland under the same circumstances a policeman answered "that down in the next street was a little Jewish tailor—that was the only place where one couldn't buy anything."

These two versions of the "great American rum story" are a part of the barrage of ridicule used by one side in the fight which makes particularly opportune Mrs. Bruere's recent book, "Does Prohibition Work?" based on a study of the Eighteenth Amendment made by the Committee on Prohibition of the National Federation of Settlements.

Fortunately the signed information on which Mrs. Bruere bases her story is more reliable than the "great American rum story,"

Your producing partner—machinery —is it versatile?



THE statement is frequently made that "this is the age of the specialist." There is a large element of truth in the idea, but the danger lies in organizing to a point where abilities and machinery are instructed to doing only one thing well.

There always will be conditions under which versatility, both in men and in machines, is a highly desirable factor—a factor which permits of a great deal of varied work being turned out at low expense.

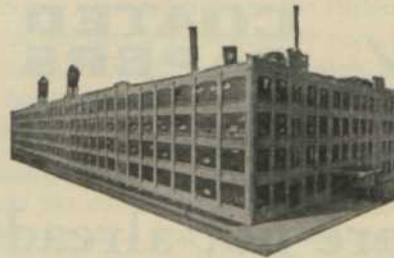
Lithographers, for instance, know well the advantages of versatility. That is one reason why so many of them all over

the world, use the Ogden Multiple Duplicating Machine. While primarily designed as an extremely accurate and labor-saving device for photo-transferring a design in multiple to a printing plate, this machine is so ver-

satile as to handle with economy practically any transfer work known to the modern lithographer.

From black and white commercial work, through labels and decorated metal to multi-color magazine covers, calendars and fine art subjects—the Ogden will handle them all.

The versatility of the Ogden is characteristic of all American Machine & Foundry products. It is one of the traits which have made each of them real producing partners.



A Contract Division will be pleased to submit estimates for furnishing Machine Parts, Building Machines to Customers' Specifications, and for Designing and Building Automatic and Semi-Automatic Machinery.

AMERICAN MACHINE & FOUNDRY CO.

5502-5524 Second Avenue
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London, England

Shanghai, China

Automatic Machinery

for Feeding, Filling, Weighing, Packaging, Wrapping, Sealing, Pumping, Photo-Composing and for all branches of Tobacco Manufacture. Also *Inda* the perfected Casein Solid

When writing to AMERICAN MACHINE & FOUNDRY COMPANY please mention Nation's Business



CONTEST WINNER

Handsome awards are given periodically for the most meritorious advertising or printing produced on any Cantine paper. Contest closing Mar. 31, 1927 was won by Cramer & Tobias, Inc., of New York City for their Carlin Comforts Catalog. To enter the current contest, send specimens to The Martin Cantine Company.

BEAUTIFUL SURFACES

In paper, as in beautifully finished merchandise advertised upon it, fine surfaces create an atmosphere of quality . . .

WE don't think a woman can merely glance at a Carlin Bedspread and turn away. The lustrous surface catches the eye and holds it. So with the Carlin catalog, recently produced on Cantine's Ashokan. One casual look leads to a careful reading. Its physical beauty gives a lasting thrill of pleasure.

Literature that lacks this quality is worse than useless. If it fails to catch and hold attention and build favorable impressions, it is not an asset but a liability.

The slight extra cost of good coated paper is as nothing to other costs of printing and

distributing booklets, catalogs or leaflets. Try a Cantine Coated Paper on your next reprint and notice the difference in results.

Having specialized on Coated Papers exclusively for nearly 40 years, and built up through quality and service the most extensive coated paper business in the world, the Cantine Mills can meet your requirements exactly. Local distributors provide quick deliveries on all stock items.

Sample book, with details of service and The Cantine Prize Awards will be mailed on request. Address Dept. 459, THE MARTIN CANTINE COMPANY, Saugerties, N. Y.

Cantine's

COATED PAPERS

CANFOLD

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LITHO C.I.S.

—if you are not already
a NATION'S BUSINESS
subscriber

To the Chamber
of Commerce of the U. S.
Washington, D. C.

Enter my subscription, please, for the full three-year term enrollment for NATION'S BUSINESS beginning with the August number. Bill me later for \$7.50 (OR: I enclose remittance with this coupon.)

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this
handy
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When writing to THE MARTIN CANTINE COMPANY please mention Nation's Business

which, it is admitted, passes everywhere as a legitimate joke instead of fact.

Contrasting the 100 per cent Americans with the 25 and 50 per cent, the author says:

"The inhabitants of the great cities are not standing conspicuously back of the enforcement of the law; quite the contrary! But still for the great mass of Nordics who are living under conditions distinctive to the United States who have developed their customs and ideas with a minimum of outside influence, the Eighteenth Amendment operates. . . .

"These reports show that practically every foreign group and the first generation born in this country are drinking now and are making their own beverages." However, other attractions such as motoring are competing with drink even in this class.

Of much conflicting information Mrs. Bruere has evolved a very readable book that will be interesting alike to opponents and supporters of the Eighteenth Amendment.

The author's conclusion briefly is that youth drinks for the adventure of doing something forbidden and so does not present a permanently serious problem. The foreign group will probably be assimilated in time, since all our ancestors were foreign at one time. The rich, by flagrantly disregarding the law, form the principal difficulty in the matter of prohibition.

As for the laboring poor, since prohibition they have not only become somewhat more prosperous, but also acute and chronic alcoholic diseases have practically disappeared even in clinics, where they were once quite common.

Accounting—Its Principles and Problems, by Henry Rand Hatfield. D. Appleton and Company, New York, 1927. \$3.50.

Apparently the subject is authoritatively treated in this book's five hundred-odd pages.

The balance sheet with detailed examples and full explanation receives the place of honor. Intangible assets, depreciation, capital stock, liabilities, surplus and sinking funds receive attention among other things too mathematical to mention.

"How does a consolidated balance sheet differ from an ordinary balance sheet?" is one of a set of review questions which the author gives in the appendix. They will be found useful, after studying the book, to help the reader clarify his knowledge.

The author is professor of accounting in the University of California.

Team Play and Progress, a symposium. Ronald Press, New York, N. Y.

Human relations are one of the most important problems that face business. Better understanding of all sides of the question is the outstanding advance that has been made in their solution. In "Team Play and Progress," a modern symposium, have been collected a few speeches by outstanding leaders in various lines of industrial endeavor. The book's subtitle explains its purpose, "Cooperation in Industry."

Lewis E. Pierson, president of the United States Chamber, discussed "Management," the third side of the industrial triangle of which labor and capital are the other two sides.

William Green, president of the American Federation of Labor, deals with the history and prospect of "Labor."

"Industry's Responsibility to the Public" is the subject that Gerard Swope, president of the General Electric Company, discusses.

The more general topic of "Self-Government in Business" is discussed by Julius H.

Barnes, past president of the National Chamber.

W. W. Atterbury, president of the Pennsylvania Railroad, finishes the book with a speech on "Labor and Industry."

The whole booklet presents an interesting picture of the past, present and future of industry in its human relations.

Harper's Digest and Index of Decisions Under the Tariff Act of 1922. F. F. G. Harper Company, San Francisco, 1926. \$10.

Commenting on the Fordney-McCumber tariff, the author says: "Since the passage of the Tariff Act of September 22, 1922, it has become increasingly evident that its provisions are to be the subject of an unprecedented amount of litigation and judicial interpretation." This is an appropriate foreword to a businesslike digest of the hundreds of cases that have been decided in the first two or three years under the act by the Customs Court (as the old Board of General Appraisers is now known). The digest also covers decisions of the United States Court of Customs Appeals, and presidential proclamations under the flexible tariff and kindred clauses. Mr. Harper's book, with its 100-page index, is not only a legal digest of customs cases; it is in some respects an encyclopedia of the trials and tribulations incidental to the bringing in of many billions of dollars' worth of imported merchandise in these last few years of fluctuating exchanges and involved economic readjustments.

RECENT BOOKS RECEIVED

Captains in Conflict, by Robert R. Updegraff. A. W. Shaw Company, Chicago and New York, 1927. \$2.

The Constitution Explained, by Harry Atwood. Harcourt, Brace and Company, New York, 1927.

The Dartnell Advertiser's Guide, 1927 Edition, edited by Roy W. Johnson. The Dartnell Corporation, Chicago, 1927. \$5.

The Fiscal Problem in Delaware. National Industrial Conference Board, New York, 1927. \$2.50.

Henley's Twentieth Century Book of Recipes, Formulas and Processes. The Norman W. Henley Publishing Company, New York, 1927. \$4.

How Europe Made Peace Without America, by Frank H. Simonds. Doubleday, Page & Company, New York, 1927. \$5.

Making Transportation Pay, edited by Henry H. Norris for the Charles A. Coffin Foundation. American Electric Railway Association, New York, 1927.

The Mechanism of the Modern State, by John A. R. Marriott. Two volumes. Oxford University Press, American Branch, New York, 1927. \$15.

Principles of Effective Letter Writing, by Lawrence Campbell Lockley. McGraw-Hill Book Company, New York, 1927. \$3.

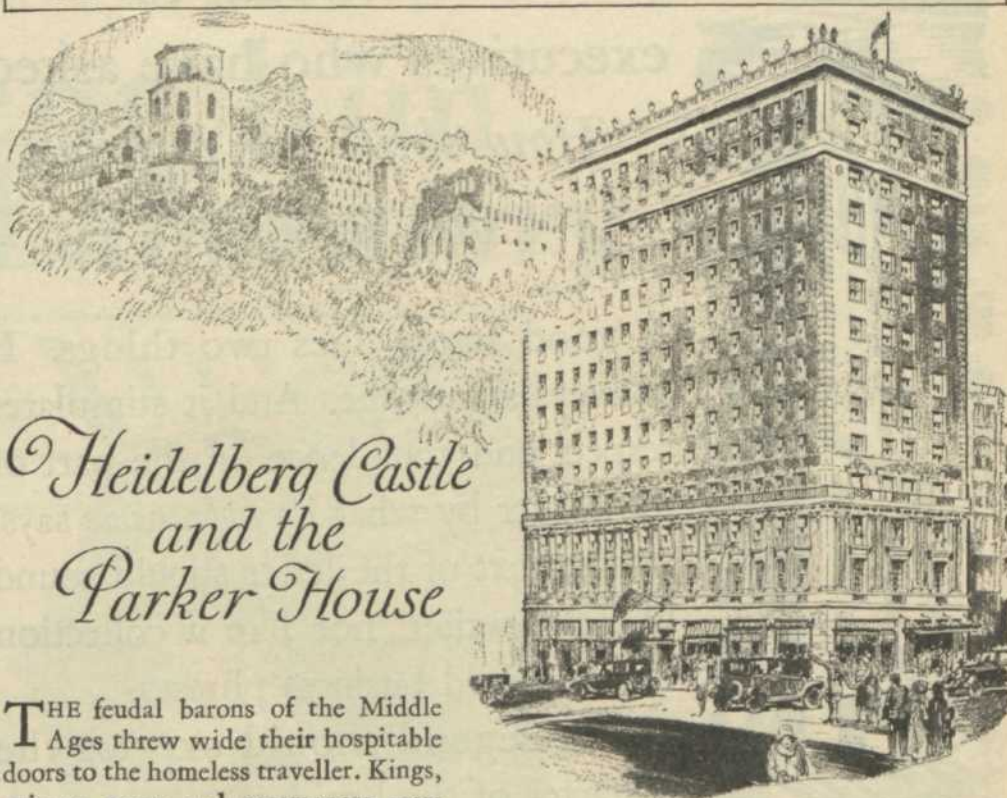
Social Justice, the Moral of the Henry Ford Fortune, by Charles Norman Fay. The Cosmos Press, Cambridge, Mass., 1926.

Statesmanship or War, by John McAuley Palmer. Doubleday, Page & Company, New York, 1927. \$2.50.

Terry's Guide to Cuba, by T. Philip Terry. Houghton Mifflin Company, New York, 1926. \$3.50.

Unemployment, The Gateway to a New Life, by George W. Mullins. Longmans Green and Company, New York, 1926. \$2.50.

MONUMENTS of the AGES



Heidelberg Castle and the Parker House

THE feudal barons of the Middle Ages threw wide their hospitable doors to the homeless traveller. Kings, princes, peers and commoners were welcome guests.

Equally rich are the traditions of the Parker House. A host of notable names throngs the pages of its registers... Emerson, Longfellow, Lowell, Holmes, Whittier, Hawthorne and Dickens, who said, "Boston is what I should like the whole United States to be." Here the famous Saturday Club met and here gathered the Alumni of the Boston Latin School—"The oldest school in America." For generations the Parker House has been known in every corner of the earth where travellers meet as the business, social and literary center of New England.

Now, a new and greater Parker House has risen to carry on the time-honored name. And in it Dahlstrom Elevator Inclosures, Metal Doors and Trim uphold the Parker House standards of supreme quality, quiet dignity and unfailing reliability.

THE PARKER HOUSE
BOSTON, MASS.

Architects:
DESMOND & LORD
Boston, Mass.

General Contractors:
GEORGE A. FULLER COMPANY
Boston, Mass.

Complete elevator inclosures, metal doors and trim by Dahlstrom

DAHLSTROM METALLIC DOOR CO.

INCORPORATED 1904

JAMESTOWN, NEW YORK

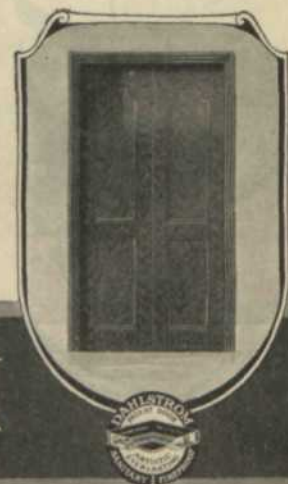
NEW YORK, 475 FIFTH AVE.

CHICAGO, 19 SO. LA SALLE ST.

DETROIT, 1331 DIME BANK BLDG.

Representatives in principal cities

DAHLSTROM



A statement to executives who have asked *"How shall we improve our letters?"*

A good letter does two things. It conveys a message. And it stimulates respect and confidence on the part of the reader by what its *appearance* says.

The text of the letter should sound like the writer, not like a collection of hackneyed business phrases.

The legend should express the character of the business.

The paper should be good enough to present the business sincerely.

Good stationery is made out of rags. The better the rags the better the paper. Crane's Bond, which is used for the government securities of over 1,000,000,000 people, is made out of *all new white rags*. Today more and more of the large business and industrial enterprises of this country specify Crane's Bond for their general and executive letterheads.

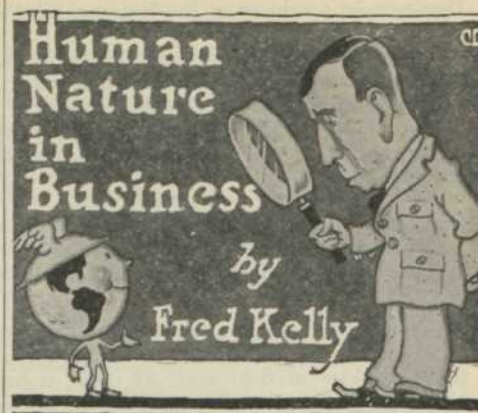
May we send portfolios of specimen letterheads which show how fine design and all-rag paper will help get a greater value out of your business stationery?

Crane's Bond

A 100% NEW WHITE RAG BUSINESS PAPER

CRANE & COMPANY · DALTON, MASS.

When writing to CRANE & COMPANY please mention Nation's Business



A PRETZEL manufacturer tells me that his business is the best he has ever known—much better than in the days when real beer and pretzels were as universal a combination as ham and eggs. He offers an interesting theory to explain why prohibition has helped rather than hurt the great pretzel industry. People who drink near beer today seem to feel that, if they have pretzels right alongside, it is just that



much more like the olden days. The beer may not be the same, but the pretzels are of pre-war quality and the two together are pleasantly reminiscent. In other words, pretzels are bought partly for food and partly for atmosphere.

WILLIAM V. FITZGERALD, of the Vacuum Oil Company, writes me from New York to comment on the growing tendency of various kinds of salesmen to try to do business over the telephone, with the result that every year sees more unlisted or unpublished phones.

A MOTION picture company which has been experimenting with color photography finds that when pictures are shown in two colors, orange red and a slightly bluish green, spectators imagine that they see a number of other colors. This is because the colors used bring to memory many other colors ordinarily associated with them. Black and white pictures do not have this effect because everybody is used to seeing them and doesn't expect other hues. But orange and green or blue promptly play a trick on one's mind. They suggest other colors so vividly that the spectator thinks he sees them.

PRESIDENT MORGAN, of Antioch College, who originated the idea of having students alternate their work in college with work in the practical world of business or industry, told me recently that the commonest complaint from students, both men and women, after being sent out to hold a job, is that their work is monotonous. This, says Morgan, whose busi-



We lent him our Laboratory



A large and well established manufacturer decided to put a power-driven appliance on the market—but in some way the news leaked out to his field organization. Dealer-like, they whispered to the trade, and as a result, the manufacturer found orders on his books before he had even a motor sample.

In this emergency the Domestic Electric Company offered the use of its laboratory and service. Working together, engineers of the two concerns quickly developed a universal motor that met every requirement. And a sample run of 1000 were produced to take care of immediate needs—this, without any commitment on the part of the manufacturer as to future orders.

By the loan of a laboratory in this case, six weeks were saved in getting the first units of a new product on the market.

and Six Weeks' work was SAVED

Only in an organization of relatively small size and thoroughly experienced personnel can buyers of electric motors find the flexibility required to meet those production emergencies that now and then arise in every business. Customers of the Domestic Electric Company have direct and immediate contact, always, with officials of this organization; they need not work back through distributors or sales agents. Scores of manufacturers have found this service invaluable in the quick solution of problems involving the production and sale of appliances driven by fractional horsepower motors, in household, commercial and industrial fields. A line of inquiry will bring full details promptly—without obligation.

THE DOMESTIC ELECTRIC COMPANY
7209-25 St. Clair Avenue CLEVELAND, OHIO



For protection from overload—the Domestic Automatic Safety Switch

Domestic (93)
"INDUSTRY'S BIGGEST LITTLE THING!"
Electric Motors
FRACTIONAL HORSEPOWER

When writing to THE DOMESTIC ELECTRIC COMPANY please mention Nation's Business



Gauging Depreciation and Maintenance

The cost of doing business includes not only depreciation, but the cost of renewals, repairs, and maintenance.

Present manufacturing costs cannot be determined without a forecast and provision for these two important elements of cost.

American Appraisals provide the basis for forecasting depreciation and maintenance. Only through such means can present costs be determined, future costs provided for.

The American Appraisal Company

MILWAUKEE

Public Utilities • Industrials • Real Estate Properties • Natural Resources

A NATIONAL ORGANIZATION

ness training was that of an engineer, is probably a healthy and beneficial discovery. If a person is of low enough mentality, he prefers routine work and doesn't find it monotonous. But finding it irksome, he feels a greater respect for its importance. A tremendous amount of work that is dreadfully monotonous nevertheless has to be done.

A HIGH official of one of the leading copper companies in the United States worked at the mines for several years after leaving high school before taking a four-year course in college. Several years later, he took a leave of absence from business to spend two years in the Michigan School of Mines. Though he was about twelve years older than the average of the other



students in his class, he stood well toward the top without even having to work especially hard. On his return to business he rose rapidly, and his associates feel that delaying part of his technical education worked greatly to his advantage. Indeed his experience confirms conclusions by Dr. Edwin L. Thorndike, famous psychologist, from recent experiments, that the most effective time to learn isn't necessarily in one's teens, but considerably later. Thorndike found that a group averaging forty-two years learned almost as fast and as easily as another group averaging twenty-two years. And both learned more rapidly than children in their teens would be expected to do. All of which leads to the assumption that too many men in business are wrong in being reluctant to take up new lines of work after thirty-five or forty through fear of being too old to learn. They can probably absorb new kinds of knowledge far better than they did in school or college.

STREET numbers come to have a tremendous value for business purposes according to how easy they are to remember. Almost anybody would rather have his store or office at No. 1 Main Street than at, say, 168. Everything else being equal, more customers would remember No. 1 and find their way there. Likewise, numbers in sequence are valuable—such addresses as 123 or 246 Main Street. Repetitive numbers, as 77 or 777, also may add thousands of dollars to the value of the property they designate. In New York City, Fourth Avenue formerly ended, and Park Avenue began, at 34th Street. But the city authorities arranged that Park Avenue should start at 32nd Street, and Number One adorns a big office building on one of the 32nd Street corners. Naturally the property there immediately became far more valuable than when it was merely four or five hundred and something Fourth Avenue. Anybody can remember

Likely To Advance?

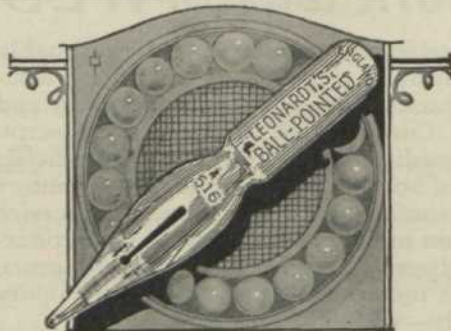
What group of stocks offers greatest opportunity for investment—with practical certainty of advance in price? McNeel's has made a searching survey. Its conclusions are important, valuable, free.



FINANCIAL SERVICE
R.W. MCNEEL, DIRECTOR
"An Aristocracy of Successful Investors"
120 BOYLSTON ST. BOSTON
Send Free Bulletin SNB-5-21

Name

Address



Leonardt's

BALL-POINTED Pens

AS ball-bearing lessons friction in machinery, so do BALL-POINTED PENS ease the action in writing. Smoothly and easily the BALL-POINTED PEN travels over the paper, distributing a steady, even flow of ink. To the writer it ensures complete harmony between mind and matter.

The name Leonardt's BALL-POINTED PENS printed on every box. Accept no substitute. On sale at all leading stationers. Stocked by all large jobbers.

Made from the finest Sheffield Steel.

40 years' untarnished reputation.

When writing to the above advertisers please mention Nation's Business

Number One Park Avenue. But a lawsuit grew out of the change and the woman who owned the residence property that was formerly Number One Park Avenue, two blocks away, still uses the old number because of its greater value. She must be annoyed by hundreds of people ringing her bell in quest of various tenants at the other Number One Park Avenue. But, despite such bother, she clings to the number. It might be interesting to know just how much more valuable is one or five or seven than 963. There's a job for a patient statistician who understands human psychology!

A SHOE manufacturer in Philadelphia last year spent \$60,000 just for style information. Then within a few days after his new models were shown, cheap imitations of them began to appear in many shops. Which recalls that in France the creator of new designs is protected by a six months' copyright, with a penalty of \$2,000 for each infringement.

A FARM agent advertised 100 acres in New England with a large barn, 10-room house, outbuildings, two horses, six cows, all necessary tools, and even a dog, for \$4,000. Owing to a typographical error, the advertisement said not \$4,000 but \$400. Whereupon a cold, calculating farmer out in Illinois wrote to the advertiser, asking:

"Do you think the place could be bought any cheaper?"

"GIVE me a glimpse at a man's phone, gas, electricity and water bills," says a business investigator, "and I'll tell you what he is. Or at least I'll be able to give you a good idea of his scale of living. The more activities he and his family engage in, the more telephone calls they will



have. If they entertain much, they are sure to burn up electricity and gas. The water bill might even indicate something of their cultural status. If they are given to cleanliness, they must use water. I know bankers who would give much to have free access to certain customers' phone, gas and water bills."

I ASKED a famous theatrical producer if a certain play of a few seasons ago which I hadn't seen was good.

"Wait a minute and I'll let you know," he said. Whereupon he pressed a button and had his secretary bring him a sheaf of reports.

"Yes," he said, after reading over certain records, "it was a very good play. It ran five months and did an average gross business of \$28,000 a week."

He was entirely unconscious of any hu-



Non-Skid Hi-Type

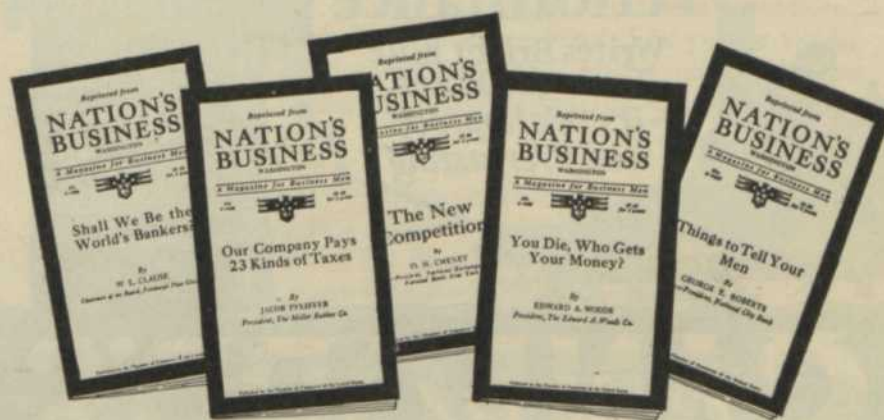
A Powerful Truck Tire

The heavy non-skid blocks of rubber, stand out and assure a strong hold on any surface that will support the truck. The traction units are joined together by submerged ribs which stabilize the whole tread, giving maximum carrying capacity and insuring long mileage. Built on the Firestone patented brass plated steel base—assuring highest quality throughout. Call on the Firestone Service Dealer for performance facts about *Non-Skid Hi-Type Tires*, and details of the complete Truck Tire Service he offers.

MOST MILES PER DOLLAR

Firestone

AMERICANS SHOULD PRODUCE THEIR OWN RUBBER *Harvey Firestone*



Reprints of articles appearing in NATION'S BUSINESS may be ordered from us at cost. Or we will give permission on request to reprint articles.

NATION'S BUSINESS, Washington, D. C.

Associated Gas and Electric System

Founded in 1852

40% Greater Savings

Savings mean productiveness, thrift and buying power. Buying power means capacity to provide for the necessities and comforts of life.

The Average savings account per man, woman and child in the United States is \$211. In the 14 states served by the Associated System it is \$294, or nearly 40% larger.

The growth of the electric light and power industry depends upon the buying capacity of its customers. The greater their purchasing power, the more they will avail themselves of the appliances and labor saving devices which the use of electricity affords.

The thrift and buying power of the population served by the Associated properties is reflected in the more than average growth in customers and electric output. The electric kilowatt hour sales increased 100.4% and the number of customers 74% from 1920 to 1926 inclusive.



Associated Gas and Electric Company

Incorporated in 1906

Write for our Illustrated Year Book "N"

Associated Gas and Electric Securities Company

61 Broadway

New York

mor in his reply. I was thinking of the play's artistic success, and he was thinking of the box office. Since we are living in a commercial age, there is always danger of considering only those things best which prove most profitable.

A VAUDEVILLE manager was explaining certain kinks of his business.

"It often happens," he says, "that a star headliner who draws the biggest salary on the bill is far less entertaining than other performers whose rewards are com-



paratively modest. But the purpose of a star isn't to entertain but to draw. People like to go to the theater to see somebody they have heard about. If while there they are entertained, it doesn't matter who does it. They go away satisfied."

"BUSINESS men mustn't be too insistent on having only practical men about them," I heard a college professor remark. "Remember that Adam Smith, who wrote of the Wealth of Nations, founder of the whole science of political economy, was an impractical, absent-minded Scotch professor who couldn't have made a dollar in business to save his life."

MANY editors of popular magazines are a little afraid to use fiction stories in which the plot reveals that women of otherwise flawless reputations sometimes light a cigaret and puff at it in full view.

IN NEW YORK CITY a hotel notorious for having the darkest tea-room in town, where a man could scarcely recognize his own wife at the next table, is about the only one left which bars women-smokers from their public rooms.

"THE BIGGEST aid to success in business," remarks a management engineer, "is courage. With courage a man is willing to take a chance on deciding a thing one way or another, even though he may be wrong. At least half of his decisions are probably right and the result is that he gets something done—more at any rate than if he had too great fear of being wrong and kept postponing action."

THAT reminds me of a credit man who was fired for having a perfect record—a whole year without a single bad debt. To do that he had to avoid taking any chances. He gave no credit to anybody whose standing wasn't unassailably good. Any fool could put his O. K. on those whom everybody knows to be 100 per cent safe. To deal only with those meant losing much business from others also reasonably safe, but whose standing would have required investigation and weighing of circumstantial evidence.

70 Years
of
PROVEN
Performance
Writes Bright Blue
Turns Jet Black
~It's Waterproof
and Everlasting

SANFORD'S
PREMIUM WRITING FLUID

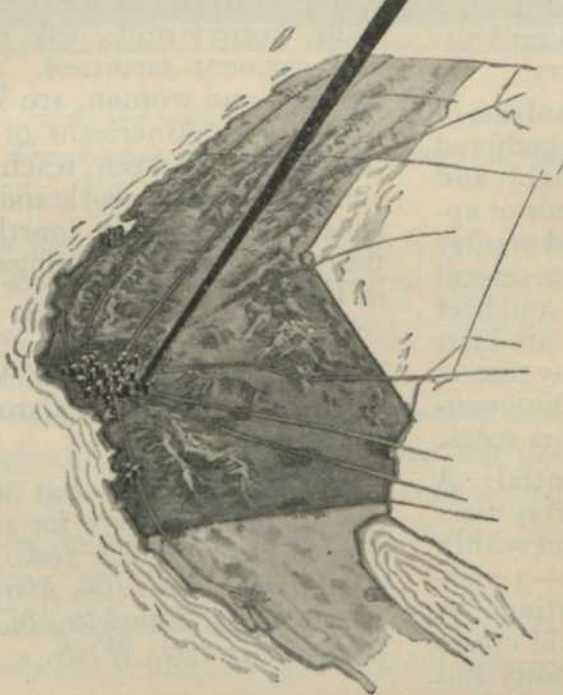
When writing to ASSOCIATED GAS AND ELECTRIC COMPANY and SANFORD MFG. Co. please mention Nation's Business

40%

of the population
of the Pacific Coast
States, lives in
Southern California

Los Angeles County

is the hub of this Enormous Market



THIS great market, consuming large volumes of manufactured products, has caused many nationally known industries to establish factories here, the latest being the B. F. Goodrich Rubber Co., with a \$4,000,000 plant.

These companies have found not only a rich nearby market, but a vast tributary market reached quickly and more economically than from any Western point of distribution, as well as harbor and steamship facilities reaching all world-ports.

Los Angeles County has been truly called "the land of balanced prosperity." A rich market, almost every known variety of raw material, industrial freedom, ample transportation of every kind, low power rates, natural gas and plentiful water and a mild all-year climate—the essential requisites for manufacturing success are here.

Specific information regarding manufacturing opportunities and distribution advantages will be furnished by the Industrial Department, Los Angeles Chamber of Commerce.

INDUSTRIAL LOS ANGELES

The Los Angeles District has over 2,250,000 Population with an Industrial Output Exceeding \$1,250,000,000



People living in some of these places have changed, within the last twelve months, from oil lamps to electric light! The coming of paved roads and electricity has stirred the countryside a little the way a gold "strike" used to arouse the West. But the resulting activity provides a far more permanent growth and development.



You can board your train after a day's business in New York or Philadelphia and be in the heart of Piedmont Carolinas by 9 o'clock next morning. Train service and equipment, both are unsurpassed. Piedmont executives come up for a day's conference and go back overnight—comfortably.

The NEW FRONTIER

ARE you looking for a place to re-locate your business, where reduced overhead, lowered operating costs and increased production will all combine to help make success a certainty? Piedmont Carolinas offers you a chance to lead in your industry by creating a "monopoly of advantages" over competition.

Investigate a typical town, any one of the 160 growing communities in Piedmont Carolinas, where wealth is increasing three times as fast as it is in the Nation's five richest states.

First inventory the present industries that are thriving. For instance, you would find in one representative community this sort of situation:

Five furniture factories, a hosiery mill, an underwear knitting mill, a huge quarry.

Every year hundreds of cars of lumber and tan bark are gathered from the forests nearby and shipped away. Carloads of apples, cabbage, eggs and poultry are shipped out, as well as several thousand head of hogs and beef cattle. Most of these products are shipped out as "raw material" to be worked up into manufactured goods in other states.

Now for the potential: A packing plant could dress meat and find a ready market within easy trucking distance—a market that is now importing! A cold storage plant would create values for the community and wealth for its owners. A flour and feed mill, a tannery, a canning factory would all thrive.



For land, plant and buildings are low in cost. Willing, intelligent white male labor is available in a steady supply, now working on farms.

The fact that more men than women are employed in present industries has created a surplus of female labor. (That suggests opportunities for more knitting mills, hosiery mills, silk mills and garment factories). And all, men and women, are 99% native born, Americans of old pioneer stock—keen, teachable and ambitious to work and get ahead. Less than a fourth of the total labor is now engaged in industry.

Every such town lies in a trading area that is within trucking distance over excellent Carolina paved roads.

Investigate. Find out what the opportunities are for *you*—for *your* business. Our Industrial Department, Room 104, Mercantile Building, Charlotte, N. C., is at your service. Write.

PIEDMONT CAROLINAS
Where Wealth Awaits You

DUKE POWER COMPANY

{ OWNERS OF SOUTHERN POWER COMPANY, SOUTHERN PUBLIC UTILITIES COMPANY & ALLIED INTERESTS }

You Needn't Do It For Her



She can do her work in the dark—but your men can't. They need—and therefore *you* need—the very best working light you can get.

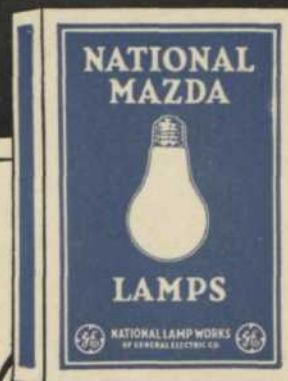
Even the lighting of five years ago is behind the times now—better than the factory cat requires, of course, but not the weapon you need to fight 1927 competition.

No matter how you look at it, insufficient or incorrect lighting is *always* expensive. Gloom and glare multiply the chance of accident. They breed spoilage. They run up production costs. They increase labor turnover.

Good lighting saves money—makes money—and it is really easy to have. Ask your electrical contractor or lighting company for information.

NATIONAL LAMP WORKS
of General Electric Company
NELA PARK, CLEVELAND, OHIO

The mark MAZDA is not the name of a product, but the distinguishing mark of a Research Service which has been the means of improving incandescent lamps since 1910.



National MAZDA LAMPS



H A V E A C A M E L



Camels—created for enjoyment

THE people of this modern age are the busiest workers of all time. But they are wise enough to seek relaxation, and they place Camel first among cigarettes.

For Camel is the modern word for *enjoyment*. In your work and in your play, through busy days or restful evenings, Camel will answer your every mood.

The world's largest tobacco organization secures the best of everything for Camels. The choicest tobaccos grown.

Such blending as you never dreamed of for enhancing the taste of fragrant tobaccos. And through it all a skill and sureness in producing the world's best.

Modern smokers are the hardest to please ever known. And they find their favorite in Camel. No other cigarette in any age was ever so popular as Camel is today. Your supreme tobacco pleasure is waiting for you here.

"Have a Camel!"

R. J. REYNOLDS TOBACCO COMPANY, WINSTON-SALEM, N. C.